2019

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND MANAGEMENT PROXY CIRCULAR

MAY 2, 2019
MONTRÉAL, QUÉBEC, CANADA

BOMBARDIER

Welcome to Bombardier's Management Proxy Circular. The online pdf version of the Circular has been enhanced with navigation and task buttons to help you navigate through the document and find the information you want more quickly. The table of contents, highlighted page references and URLs link to pages and sections within the document as well as to outside websites. The task buttons provide quick access to search, print, save to disk and view options, but may not work on all browsers or tablets.

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BOMBARDIER INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS 2019

YOUR VOTE IS IMPORTANT

If you are unable to attend the meeting in person, you may vote your shares by proxy.

As used in this management proxy circular, all references to Bombardier, the Corporation, we, us or similar terms are to Bombardier Inc.

Date: Thursday, May 2, 2019

Time: 10:30 a.m. (Montréal time)

Place: Port of Montréal's Grand Quay
200 de la Commune Street West
Montréal, Québec, Canada H2Y 4B2

The holders of Class A shares (multiple voting) and/or Class B shares (subordinate voting) of Bombardier Inc. whose names appear on the list of shareholders of Bombardier Inc. on Monday, March 4, 2019, at 5:00 p.m. (Montréal time) will be entitled to receive this notice of the meeting of shareholders and to vote at the meeting.

By order of the Board of Directors,

Daniel Desjardins
Senior Vice President, General Counsel and Corporate Secretary

Montréal, Québec, Canada, March 4, 2019

BUSINESS ON THE AGENDA OF THE MEETING:

1. Receipt of the consolidated financial statements of Bombardier Inc. for the financial year ended December 31, 2018 and the auditors' report thereon;

2. Election of the directors of Bombardier Inc.;

3. Appointment of the auditors of Bombardier Inc. and authorization to the directors of Bombardier Inc. to fix the remuneration of the auditors;

4. Consideration and, if deemed appropriate, adoption of a non-binding advisory resolution on Bombardier Inc.'s approach to executive compensation;

5. Consideration and, if deemed appropriate, approval of the shareholder proposals set out in Exhibit "B" to the accompanying Management Proxy Circular; and

6. Consideration of such other business as may properly come before the meeting.

MEETING MATERIALS

This year we are using notice-and-access to deliver this Management Proxy Circular (the "Circular") and related materials to both our registered and non-registered shareholders. This means that the Circular is posted online for you to access electronically instead of being mailed out. While you will still receive by mail a proxy form or a voting instruction form so you can vote your shares, instead of receiving a paper copy of this Circular, you will receive a notice outlining the matters to be addressed at the meeting and explaining how you can access the Circular electronically and how to request a paper copy. Notice-and-access is environmentally friendly and cost effective as it reduces paper, printing and postage.

You may request a paper copy of the Circular, at no charge, at any time prior to the meeting and up to one year from the date it is filed on SEDAR (www.sedar.com). Such a request can be made by calling 1 866 964 0492 (Canada and the United States) or +1 514 982 8714 (other countries) and following the instructions. If you request a paper copy of the Circular, you will not receive a new proxy form or voting instruction form, so you should keep the original form sent to you in order to vote.

REMINDER TO THE READER

Please note that all dollar amounts in this Circular are in US DOLLARS, unless it is specifically stated otherwise in the text.

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2019 MANAGEMENT PROXY CIRCULAR

This Circular is furnished in connection with the solicitation by the management of Bombardier of proxies for use at the annual meeting of the holders of Class A shares (multiple voting) (the "Class A shares") and Class B shares (subordinate voting) (the "Class B subordinate voting shares"), of the Corporation to be held on Thursday, May 2, 2019 at 10:30 a.m. (Montréal time) at Port of Montréal's Grand Quay, 200 de la Commune Street West, Montréal, Québec, Canada (the "Meeting"), and at any and all adjournments thereof.

FORWARD-LOOKING STATEMENTS

This Circular includes forward-looking statements, which may involve, but are not limited to: statements with respect to the Corporation's objectives, anticipations and guidance in respect of various financial and global metrics and sources of contribution thereto, targets, goals, priorities, market and strategies, financial position, market position, capabilities, competitive strengths, credit ratings, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected growth in demand for products and services; growth strategy, including in the business aircraft aftermarket business; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; competitive position; expectations regarding working capital recovery across Transportation legacy projects ; expectations regarding revenue and backlog mix; the expected impact of the legislative and regulatory environment and legal proceedings on the Corporation's business and operations; strength of capital profile and balance sheet, creditworthiness, available liquidities and capital resources, expected financial requirements and ongoing review of strategic and financial alternatives; the introduction of productivity enhancements, operational efficiencies and restructuring initiatives and anticipated costs, intended benefits and timing thereof; the expected objectives and financial targets underlying the Corporation's transformation plan and the timing and progress in execution thereof, including the anticipated business transition to growth cycle and cash generation; expectations and objectives regarding debt repayments, expectations and timing regarding an opportunistic redemption of Caisse de dépôt et placement du Québec ("CDPQ")'s investment in Bombardier Transportation (Investment) UK Limited ("BT Holdco"); intentions and objectives for the Corporation's programs, including the focus on returning to profitability and exploration of strategic options for the *CRJ Series* program; the funding and liquidity of C Series Aircraft Limited Partnership ("CSALP"); and the expected impact and intended benefits of the Corporation's partnership with Airbus and investment in CSALP and the realization of intended benefits of the Corporation's acquisition of Triumph Group Inc. ("Triumph")'s *Global 7500* wing manufacturing operations and assets. As it relates to the strategic actions and proposed sale of the Q Series Aircraft program and Business Aircraft's flight and technical training activities (collectively, the Pending Transactions), this Circular also contains forward-looking statements with respect to: the expected terms, conditions, and timing for completion thereof; the respective anticipated proceeds and use thereof and/or consideration therefor, related costs and expenses, as well as the anticipated benefits of such actions and transactions and their expected impact on the Corporation's guidance and targets; and the fact that closing of these transactions will be conditioned on certain events occurring, including the receipt of necessary regulatory approval.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "shall", "can", "expect", "estimate", "intend", "anticipate", "plan", "foresee", "believe", "continue", "maintain" or "align", the negative of these terms, variations of them or similar terminology. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of the Corporation's current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Corporation's business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

By their nature, forward-looking statements require management to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause the Corporation's actual results in future periods to differ materially from forecast results set forth in forward-looking statements. While management considers these assumptions to be reasonable and appropriate based on information currently available, there is risk that they may not be accurate. The assumptions underlying the forward-looking statements made in this Circular in relation to the Pending Transactions discussed herein include the following material assumptions: the satisfaction of all conditions of closing and the successful completion of such strategic actions and transactions within the anticipated timeframe, including receipt of regulatory approvals. For additional information, including with respect to the other assumptions underlying the forward-looking statements made in this Circular, refer to the Strategic Priorities and Guidance and forward-looking statements sections in Overview, Business Aircraft, Commercial Aircraft, Aerostructures and Engineering Services and Transportation in the Management's Discussion & Analysis ("MD&A") of the Corporation's financial report for the fiscal year ended December 31, 2018, which may be viewed on SEDAR at www.sedar.com.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, risks associated with general economic conditions, risks associated with the Corporation's business environment (such as risks associated with "Brexit", the financial condition of the airline industry, business aircraft customers, and the rail industry; trade policy; increased competition; political instability and force majeure events or global climate change), operational risks (such as risks related to developing new products and services; development of new business and awarding of new contracts; book-to-bill ratio and order backlog; the certification and homologation of products and services; fixed-price and fixed-term commitments and production and project execution, including challenges associated with certain Transportation's legacy projects and the release of working capital therefrom; pressures on cash flows and capital expenditures based on project-cycle fluctuations and seasonality; risks associated with the Corporation's ability to successfully implement and execute its strategy, transformation plan, productivity enhancements, operational efficiencies and restructuring initiatives; doing business with partners; risks associated with the Corporation's partnership with Airbus and investment in CSALP; risks associated with the Corporation's ability to continue with its funding plan of CSALP and to fund, if required, the cash shortfalls; risks associated with the Corporation's ability to successfully integrate its acquisition of Triumph's *Global 7500* wing manufacturing operations and assets; inadequacy of cash planning and management and project funding; product performance warranty and casualty claim losses; regulatory and legal proceedings; environmental, health and safety risks; dependence on certain customers, contracts and suppliers; supply chain risks; human resources; reliance on information systems; reliance on and protection of intellectual property rights; reputation risks; risk management; tax matters; and adequacy of insurance coverage), financing risks (such as risks related to liquidity and access to capital markets; retirement benefit plan risk; exposure to credit risk; substantial existing debt and interest payment requirements; certain restrictive debt covenants and minimum cash levels; financing support provided for the benefit of certain customers; and reliance on government support), market risks (such as risks related to foreign currency fluctuations; changing interest rates; decreases in residual values; increases in commodity prices; and inflation rate fluctuations). For more details, see the Risks and Uncertainties section in Other in the MD&A, which may be viewed on SEDAR at www.sedar.com. With respect to the Pending Transactions discussed herein specifically, certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: the failure to receive or delay in receiving regulatory approvals, or otherwise satisfy the conditions to the completion of such strategic actions and transactions or delay in completing and uncertainty regarding the length of time required to complete such strategic actions and transactions, and the funds and benefits thereof not being available to Bombardier in the time frame anticipated or at all; alternate sources of funding that would be used to replace the anticipated proceeds and savings from such strategic actions and transactions, as the case may be, may not be available when needed, or on desirable terms. Accordingly, there can be no assurance that any of the Pending Transactions will occur or that the anticipated benefits will be realized in their entirety, in part or at all. There can also be no assurance as to the completion, the form, or the timing of any BT Holdco buy-back.

Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Other risks and uncertainties not presently known to the Corporation or that it presently believes are not material could also cause actual results or events to differ materially from those expressed or implied in the Corporation's forward-looking statements. The forward-looking statements set forth herein reflect the Corporation's expectations as at the date of this Circular and are subject to change after such date. Unless otherwise required by applicable securities laws, the Corporation expressly disclaims any intention, and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this Circular are expressly qualified by this cautionary statement.

SECTION 1 : VOTING INFORMATION

WHO IS SOLICITING MY PROXY?

The management of Bombardier is soliciting your proxy for use at the Meeting. In addition to solicitation by mail, directors, members of management and employees or agents of the Corporation may solicit proxies by telephone, over the internet, in writing or in person. The Corporation has appointed DF King as its soliciting agent. For this service, DF King will be paid a fee of CDN $40,000, plus out of pocket expenses. The entire cost of the solicitation will be borne by Bombardier.

The management of Bombardier strongly urges you to sign and return the form of proxy that you have received in order to ensure that your votes are exercised and accounted for at the Meeting.

WHAT WILL I BE VOTING ON?

Holders of the Class A shares and/or Class B subordinate voting shares of Bombardier will be voting on:

- the election of the directors of the Corporation;
- the appointment of Ernst & Young LLP, chartered professional accountants, ("Ernst & Young") as the independent auditors of the Corporation;
- the adoption of a non-binding advisory resolution on Bombardier's approach to executive compensation; and
- the shareholder proposals set out in Exhibit "B" to this Circular.

HOW WILL THESE MATTERS BE DECIDED AT THE MEETING?

A simple majority of the votes cast, by proxy or in person, by the holders of Class A shares and by the holders of Class B subordinate voting shares, voting together, will constitute approval of each of the matters specified in this Circular.

HOW MANY VOTES DO I HAVE?

The Class B subordinate voting shares of Bombardier are restricted securities (within the meaning of the relevant Canadian regulations respecting securities) in that they do not carry equal voting rights as compared with the Class A shares.

In the event of a ballot, each Class A share carries the right to ten votes and each Class B subordinate voting share carries the right to one vote. In the aggregate, all of the voting rights associated with the Class B subordinate voting shares represented, as at March 4, 2019, 40.78% of the voting rights attached to all of the issued and outstanding voting shares of Bombardier.

Each Class A share is convertible, at any time, at the option of the holder, into one Class B subordinate voting share. Each Class B subordinate voting share will become convertible into one Class A share in the event that the Majority Holder (as defined in the restated articles of incorporation of the Corporation), namely the Bombardier family, accepts a purchase offer for Class A shares or in the event that the Majority Holder ceases to hold more than 50% of the issued and outstanding Class A shares.

The holders of Class A shares and the holders of Class B subordinate voting shares, whose names appear on the list of shareholders prepared as of the close of business at 5:00 p.m. (Montréal time) on the record date, being Monday, March 4, 2019 will be entitled to vote at the Meeting and any adjournment thereof if present or represented by proxy.

HOW MANY SHARES ARE ENTITLED TO BE VOTED?

As at March 4, 2019, there were 308,750,749 Class A shares and 2,125,799,650 Class B subordinate voting shares of Bombardier issued and outstanding.

To the knowledge of the directors and executive officers of the Corporation, the only persons who, as at March 4, 2019 beneficially owned or exercised control or direction directly or indirectly over shares carrying 10% or more of the voting rights attached to any class of its issued and outstanding voting shares were J. R. André Bombardier, director of the Corporation, and Janine Bombardier, Claire Bombardier Beaudoin and Huguette Bombardier Fontaine (collectively, the "Principal Shareholders"). These four persons beneficially owned or exercised control or direction over, directly or indirectly, 249,449,910 Class A shares and 30,211,319 Class B subordinate voting shares, representing in the aggregate 80.79% of the issued and outstanding Class A shares and 1.42% of the issued and outstanding Class B subordinate voting shares of the

Corporation and 48.43% of all the voting rights attached to all of its issued and outstanding voting shares, as shown in the table below:

NAME	CLASS A SHARES Number	CLASS A SHARES % of Class	CLASS B SUBORDINATE VOTING SHARES Number	CLASS B SUBORDINATE VOTING SHARES % of Class
J. R. André Bombardier	65,401,042	21.18%	7,335,910	0.35%
Janine Bombardier	61,973,491	20.07%	7,110,137	0.33%
Claire Bombardier Beaudoin	61,373,490(1)	19.88%	8,695,136(2)	0.41%
Huguette Bombardier Fontaine	60,701,887	19.66%	7,070,136	0.33%

(1) Includes 500,000 Class A shares over which Claire Bombardier Beaudoin exercises control jointly with her husband, Laurent Beaudoin, through Beaudier Inc., a portfolio holding company of the Beaudoin family which is controlled by Laurent Beaudoin and Claire Bombardier Beaudoin, through holding companies which they control.

(2) Claire Bombardier Beaudoin exercises control over these shares jointly with her husband, Laurent Beaudoin, through Beaudier Inc., a portfolio holding company of the Beaudoin family which is controlled by Laurent Beaudoin and Claire Bombardier Beaudoin, through holding companies which they control.

In addition, as at March 4, 2019, members of the immediate family of the Principal Shareholders beneficially own, or exercise control or direction over, directly or indirectly, 12,413,275 additional Class A shares and 5,959,226 additional Class B subordinate voting shares, representing 0.75% of all the Class A shares and Class B subordinate voting shares issued and outstanding and 2.50% of all the voting rights attached to all the shares of the Corporation.

HOW DO I VOTE?

REGISTERED SHAREHOLDERS – You are a registered shareholder when your name appears on your share certificate. Your proxy form tells you whether you are a registered shareholder.

Option 1 – By proxy (proxy form)

You may vote in the following manners:

Internet	Go to www.investorvote.com and follow the instructions.
Telephone	Call 1 866 732 VOTE (8683) (Canada and the United States) or +1 312 588 4290 (other countries) and follow the instructions. If you use this method you can only appoint, as your proxyholder, the executive officers of the Corporation named on your proxy form.
Fax	Return your completed proxy form by fax at 1 866 249 7775 (Canada and the United States) and at +1 416 263 9524 (other countries).
Mail	Return your completed proxy form in the postage pre-paid return envelope provided.

Computershare Investor Services Inc. ("Computershare"), our transfer agent, must have received your proxy form or you must have voted by internet or telephone no later than 4:00 p.m. (Montréal time) on Wednesday, May 1, 2019.

Option 2 – In person at the Meeting

You do not need to complete a proxy form. Voting in person at the Meeting will automatically cancel any proxy form you may have earlier completed and submitted.

NON-REGISTERED SHAREHOLDERS – You are a non-registered shareholder when your shares are held in the name of an intermediary, usually a bank, trust company, security dealer or broker or other financial institution. When you receive a voting instruction form, this tells you that you are a non-registered shareholder.

Option 1 – By proxy (voting instruction form)

You may vote in the following manners:

Internet		Go to www.ProxyVote.com and follow the instructions.
Telephone		Call 1 800 474 7493 (English) or 1 800 474 7501 (French) and follow the instructions. If you use this method you can only appoint, as your proxyholder, the executive officers of the Corporation named on your voting instruction form.
Fax		Return your completed voting instruction form by fax at +1 905 507 7793 or +1 514 821 8911.
Mail		Return your completed voting instruction form in the postage pre-paid return envelope provided.

Your intermediary is required to seek your voting instructions in advance of the Meeting. You will have received from your intermediary a package of information with respect to the Meeting, including either a proxy form or a voting instruction form. Each intermediary has its own signature and return instructions. It is important that you comply with these instructions if you want the voting rights attached to your shares to be exercised. If you vote by Internet or telephone, you must do so no later than 4:00 p.m. (Montréal time) on Wednesday, May 1, 2019.

Bombardier intends to pay for proximate intermediaries to send the proxy-related materials to objecting beneficial owners.

Option 2 – In person at the Meeting

Bombardier and/or Computershare do not have a record of the names of the non-registered shareholders of the Corporation. If you wish to vote in person at the Meeting, you have to insert your own name in the space provided on the form of proxy or voting instruction form you have received and return it as directed on the form. It is not necessary to otherwise complete the form as you will be voting at the Meeting. Upon arrival at the Meeting, you should see a representative of Computershare.

SHAREHOLDERS (EMPLOYEES) UNDER THE EMPLOYEE SHARE PURCHASE PLAN ("ESPP")

If you are an employee of Bombardier and you own shares under the ESPP, your shares are registered in the name of Computershare Trust Company of Canada, the administrator of the ESPP, until such time as the shares are withdrawn from the ESPP pursuant to its terms and conditions.

Option 1 – By proxy (voting instruction form)

You may vote in the following manners:

Internet		Go to www.investorvote.com and follow the instructions.
Telephone		Call 1 866 732 VOTE (8683) (Canada and the United States) or +1 312 588 4290 (other countries) and follow the instructions.
Fax		Return your completed proxy form or voting instruction form by fax at 1 866 249 7775 (Canada and the United States) and at +1 416 263 9524 (other countries).
Mail		Return your completed proxy form or voting instruction form in the postage pre-paid return envelope provided.

Option 2 – In person at the Meeting

If you wish to vote in person at the Meeting, you have to insert your own name in the space provided on the proxy form or voting instruction form you have received and return it as directed on the form. It is not necessary to otherwise complete the form as you will be voting at the Meeting. Upon arrival at the Meeting, you should see a representative of Computershare.

SHAREHOLDERS (EMPLOYEES) UNDER THE SHARE INCENTIVE PLAN GOVERNED BY ENGLISH LAW ("SIP")

If you are a participating employee of the SIP and you hold shares under the SIP, you must submit your voting instructions through Computershare EES Trustees Limited, the administrator of the SIP in the United Kingdom, until such time as the shares are withdrawn from the SIP pursuant to its terms and conditions.

Computershare EES Trustees Limited will seek your voting instructions in advance of the Meeting. Computershare EES Trustees Limited has its own instructions as to how you must submit your vote. It is important that you comply with these instructions if you want the voting rights attached to your shares to be exercised. If you have any questions relating to the above, please contact the Computershare Helpline at 0370 707 1484.

If you wish to vote in person at the Meeting, you have to insert your own name in the space provided on the proxy form or voting instruction form you will have received from Computershare EES Trustees Limited and return it as directed on the form. It is not necessary to otherwise complete the form as you will be voting at the Meeting. At the Meeting, you should see a representative of Computershare.

HOW WILL MY SHARES BE VOTED?

You have the choice to vote FOR, AGAINST or WITHHOLD, depending on the item to be voted on.

If you sign the proxy form or voting instruction form that you have received, you authorize Pierre Beaudoin and Alain Bellemare, respectively Chairman of the Board of Directors and President and Chief Executive Officer, as well as directors, of Bombardier (or Computershare Trust Company of Canada in the case of shares held under the ESPP) to vote your shares for you at the Meeting according to your instructions. Unless contrary instructions are provided, or if you return your proxy form or voting instruction form without indicating how you want to vote your shares, the voting rights attached to Class A shares and/or Class B subordinate voting shares represented by proxies received by the management of the Corporation will be voted:

FOR the election of all the nominees proposed as directors;

FOR the appointment of Ernst & Young LLP, chartered professional accountants, as the independent auditors of the Corporation and FOR the fixing of their remuneration by the directors of the Corporation;

FOR the adoption of a non-binding advisory resolution on Bombardier's approach to executive compensation; and

AGAINST the shareholder proposals set out in Exhibit "B".

However, you may choose another person to act as your proxyholder, including someone who is not a holder of shares of the Corporation, by striking out the names printed on the proxy form or voting instruction form and inserting another person's name in the blank space provided, or by completing another proper form of proxy. This person must be present at the Meeting to vote your shares and should, upon arrival, see a representative of Computershare. On the proxy form or voting instruction form, you may indicate either how you want your proxyholder to vote your shares, or you can let your proxyholder decide for you. If you have not specified on the proxy form or voting instruction form how you want your shares to be voted on a particular matter, then your proxyholder can vote your shares as he/she sees fit. The proxy form or voting instruction form that you have received gives authority to your proxyholder to use his/her discretion in voting on amendments to matters identified in the notice and on any other items that may properly come before the Meeting or any adjournment.

WHAT IF I WANT TO REVOKE MY PROXY OR VOTING INSTRUCTION?

If you are a registered shareholder, you may revoke your proxy by completing a proxy bearing a later date and delivering it to Computershare or by stating clearly, in writing, that you wish to revoke your proxy and by delivering this written statement to Computershare, no later than the last business day before the day of the Meeting, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. If you are a non-registered shareholder, you should contact your intermediary to find out whether it is possible to change your voting instructions and what procedure to follow.

IS MY VOTE CONFIDENTIAL?

Computershare preserves the confidentiality of individual shareholder votes, except (i) where a shareholder clearly intends to communicate his/her individual position to the management of Bombardier; and (ii) as necessary in order to comply with legal requirements.

ELECTRONIC VOTING AT THE MEETING

In line with Bombardier's commitment towards the environment, voting at the Meeting on all proposals will be made through the use of electronic ballot. This will allow to expedite the voting process at the Meeting and present the final votes on screen at the Meeting. On arrival at the Meeting, all shareholders entitled to vote will be required to register and given a hand held device containing a personalized smart card with details of their shareholding to be used for the electronic vote. After each proposal is put to the Meeting by the Chairman, you will be asked to cast your vote by pressing a button on your keypad. All the votes represented by shareholders present at the Meeting will be counted and added to those received by proxy, and the final votes will be shown on screen at the Meeting. If you have already voted by proxy you will still be able to vote at the Meeting using the electronic device, and your vote on the day of the Meeting will replace your vote by proxy.

HOW DO I COMMUNICATE WITH COMPUTERSHARE?

You can communicate with Computershare by mail at the following address:

Computershare Investor Services Inc.
100 University Avenue
8th Floor
Toronto, Ontario, Canada M5J 2Y1

or by telephone at: 1 800 564 6253 (Canada and United States) or +1 514 982 7555 (other countries).

RECEIPT OF FINANCIAL STATEMENTS

The consolidated financial statements of Bombardier for the financial year ended December 31, 2018 and the auditors' report thereon are included in the 2018 Financial Report of Bombardier. The 2018 Financial Report was mailed to shareholders who requested it.

ELECTION OF THE DIRECTORS OF BOMBARDIER

The restated articles of incorporation of Bombardier provide that its Board of Directors shall consist of not less than 5 and not more than 20 directors. Its directors are elected annually.

It is proposed that 14 directors be elected until the next annual meeting of the shareholders of Bombardier.

The term of office of each director so elected expires upon the election of his/her successor unless he/she shall resign or his/her office shall become vacant by death, removal or other cause.

J. R. André Bombardier and Jean-Louis Fontaine will retire at the close of the Meeting, after both serving on the Board of Directors since 1975, and will not seek re-election as directors. Carlos E. Represas will also retire at the close of the Meeting, after serving on the Board of Directors since 2004, and will not seek re-election as a director. Information relating to Messrs. Bombardier, Fontaine and Represas therefore does not appear below along with the information regarding the 14 proposed nominees for election as directors of the Corporation. Because Messrs. Bombardier, Fontaine and Represas will act as directors up to the Meeting, information concerning them appears in the other sections of this Circular that pertain to the directors. The current Board of Directors proposes that Charles Bombardier, Diane Fontaine and Anthony R. Graham be elected as new directors of the Corporation for the ensuing year.

Except where authority to vote on the election of directors is withheld, the persons named in the accompanying proxy form or voting instruction form, as the case may be, will vote for the election of the 14 nominees whose names are hereinafter set forth, 11 of whom are currently directors of Bombardier.

It is not contemplated that any of the nominees will be unable, or for any reason will become unwilling, to serve as a director. However, if that should occur for any reason prior to the election, the persons named in the form of proxy reserve the right to vote for another nominee in their discretion, unless a shareholder has specified in the form of proxy that his/her shares are to be withheld from voting on the election of directors.

Pursuant to an agreement dated as of November 18, 2015 between Bombardier and CDPQ, a copy of which was filed on the Corporation's profile on SEDAR (www.sedar.com) on November 25, 2015, with respect to the nomination of any new independent directors of Bombardier, Bombardier will work collaboratively with CDPQ and seek to obtain CDPQ's agreement on the final candidate(s) recommended to the Board of Directors. In connection with this agreement, the Bombardier family has committed to fully support any action plan recommended by the Special Initiatives Committee and agreed to by CDPQ, as well as the selection process for new independent directors of the Board of Directors.

Information regarding the nominees relating to their independence, year first elected or appointed as a director, previous year's voting results, age, municipality and country of residence, principal occupation, main areas of expertise, and committee memberships (Audit Committee, Human Resources and Compensation Committee ("HRCC"), Finance and Risk Management Committee ("FRMC") and Corporate Governance and Nominating Committee ("CGNC")), is provided in the biographical charts below. Also indicated for each nominee are the number of Class A shares and/or Class B subordinate voting shares beneficially owned, or controlled or directed, directly or indirectly, by the nominee, and the number of Deferred Stock Units held by the nominee.

PIERRE BEAUDOIN[A][B]

Chairman of the Board of Directors
Westmount, Québec, Canada
Age: 56
Director since 2004
Not independent
Votes in favour at previous annual meeting: 96.34%

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS
December 31, 2018	**512,859**	**952,761**	**—**
December 31, 2017	512,859	815,112	—
Change	—	137,649	—

Skills and Experience
CEO/Senior Executive Officer – Business/Operations and Manufacturing Activities – International Business – Board of Directors/Corporate Governance – Government Relations

Pierre Beaudoin joined the Marine Products division of Bombardier in 1985. In October 1990, he was appointed Vice President, Product Development of the Sea-Doo/Ski-Doo division. In 1992, he was appointed Executive Vice President of the Sea-Doo/Ski-Doo division of Bombardier of which he became its President in January 1994. In April 1996, he was promoted to President and Chief Operating Officer of Bombardier Recreational Products. In February 2001, he was appointed President of Bombardier Aerospace, Business Aircraft and he became President and Chief Operating Officer of Bombardier Aerospace in October of the same year. On December 13, 2004, in addition to his duties as President and Chief Operating Officer of Bombardier Aerospace, he was appointed Executive Vice President of Bombardier and he also then became a member of the Board of Directors of Bombardier. On June 4, 2008, he was appointed President and Chief Executive Officer of Bombardier. He became Executive Chairman of the Board of Directors in February 2015 and Chairman of the Board of Directors in July 2017. He is a member of the Board of Directors of Power Corporation of Canada.

ALAIN BELLEMARE[C]

President and Chief Executive Officer
Montréal, Québec, Canada
Age: 57
Director since 2015
Not independent
Votes in favour at previous annual meeting: 98.68%

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS
December 31, 2018	**—**	**888,582**	**—**
December 31, 2017	—	615,731	—
Change	—	272,851	—

Skills and Experience
CEO/Senior Executive Officer – Business/Operations and Manufacturing Activities – International Business – Managing/Leading Growth and Innovation

Alain Bellemare is the President and Chief Executive Officer of Bombardier since February 13, 2015. Prior to joining Bombardier he was President and Chief Executive Officer of UTC Propulsion & Aerospace Systems (supplier of aerospace and defense products), a position he held from July 2012 to January 15, 2015. He began his career with UTC at Pratt & Whitney Canada in 1996 as Vice President of Manufacturing. He held leadership roles of increasing responsibility at UTC including President of Pratt & Whitney Canada in 2002, President of Hamilton Sundstrand in 2009 and Chief Operating Officer of UTC Propulsion and Aerospace Systems in 2011. In these roles, he had global operating, business development and strategic planning responsibilities for these large aerospace business units.

JOANNE BISSONNETTE[D]

Corporate Director
Montréal, Québec, Canada
Age: 57
Director since 2012
Not independent
Votes in favour at previous annual meeting: 96.80%

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS[E]
December 31, 2018	**—**	**5,824**	**373,258**
December 31, 2017	—	5,824	343,455
Change	—	—	29,803

Skills and Experience
International Business – Marketing – Board of Directors/Corporate Governance

Joanne Bissonnette is a graduate of the Directors Education Program which was jointly developed by the Institute of Corporate Directors and the University of Toronto's Rotman School of Management and is a Corporate Director for various private entities.

CHARLES BOMBARDIER[F]

Senior Advisor, International Civil Aviation Organization, a specialized agency of the United Nations

Montréal, Québec, Canada

Age: 45

Director since: N/A
(Mr. Bombardier is a new candidate proposed for election as director)

Not independent

Votes in favour at previous annual meeting: N/A

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS[E]
December 31, 2018	**—**	**16**	**—**
December 31, 2017	—	16	—
Change	—	—	—

Skills and Experience
Business Experience – International Business – Managing/Leading Growth and Innovation – Health, Safety and Environment and Social Responsibility – Corporate Reputation

Charles Bombardier started collaborating with the International Civil Aviation Organization (ICAO) in September 2017 and was appointed Senior Advisor for ICAO in September 2018. Also, since November 2016, Mr. Bombardier is Vice President of Beam Me Up Labs Inc., a company specialized in artificial intelligence and virtual reality and directs a research laboratory at Université de Sherbrooke, where he is a Ph.D. candidate in mechanical engineering. In 2013, he founded Imaginactive, a non-profit organization which provides a platform for industrial designers to publish concepts on the future of mobility. Mr. Bombardier holds a Bachelor's and a Master's of science degrees from the École de Technologie Supérieure and a certificate in board governance from Université Laval. Mr. Bombardier is a member of the Board of Directors of the Ordre des Ingénieurs du Québec.

MARTHA FINN BROOKS

Corporate Director

Atlanta, Georgia, United States

Age: 59

Director since 2009

Member of:
the FRMC (Co-Chair)
the Audit Committee

Independent

Votes in favour at previous annual meeting: 99.01%

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS[E]
December 31, 2018	**—**	**30,000**	**485,375**
December 31, 2017	—	30,000	455,572
Change	—	—	29,803

Skills and Experience
Business/Operations and Manufacturing Activities – Financial Literacy – International Business – Human Resources and Compensation – Health, Safety and Environment and Social Responsibility – Board of Directors/Corporate Governance – CEO/Senior Executive Officer

Martha Finn Brooks was, until her retirement in May 2009, President and Chief Operating Officer of Novelis, Inc., a global aluminium rolling company owned by Mumbai-based Hindalco Industries Ltd., which had earlier been spun off by Alcan Inc. in 2005. From 2002 to 2005, she served as Corporate Senior Vice President and President and Chief Executive Officer of Alcan Rolled Products, Americas and Asia. Prior to joining Alcan, she was a Vice President at engine manufacturer Cummins Inc. She is a member of the Board of Directors of Jabil Circuit Inc. and Constellium N.V.

DIANE FONTAINE[G]

Vice President and Portfolio Manager, RBC Dominion Securities Inc.

Montréal, Québec, Canada

Age: 55

Director since: N/A
(Ms. Fontaine is a new candidate proposed for election as director)

Not independent

Votes in favour at previous annual meeting: N/A

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS[E]
December 31, 2018	**—**	**—**	**—**
December 31, 2017	—	—	—
Change	—	—	—

Skills and Experience
Financial Literacy – Human Resources and Compensation – Marketing – Board of Directors/Corporate Governance

Diane Fontaine has been with RBC Dominion Securities Inc. since 1986 and has assumed positions of increasing responsibility including, since 2005, Vice President and Portfolio Manager. In 2000, she received the title of Fellow of the Canadian Securities Institute. Ms. Fontaine is a graduate of the Directors Education Program which was jointly developed by the Institute of Corporate Directors and the University of Toronto's Rotman School of Management. She obtained a Bachelor of Business Administration from the University of Sherbrooke in 1985. She devotes part of her time to the J. Armand Bombardier Foundation, where she serves on the Board of Directors as Vice President.

DIANE GIARD

Corporate Director
Shefford, Québec, Canada
Age: 58
Director since 2017
Member of:
the Audit Committee
(Chair) the CGNC
Independent
Votes in favour at previous annual meeting: 99.60%

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS(E)
December 31, 2018	**—**	**—**	**81,312**
December 31, 2017	—	—	15,538
Change	—	—	65,774

Skills and Experience
CEO/Senior Executive Officer – Financial Literacy – Business Experience – Managing/Leading Growth and Innovation – Marketing

Diane Giard was, between March 2017 until her retirement in June 2018, the Executive Vice President – Personal – Commercial Banking and Marketing of National Bank of Canada. She joined National Bank of Canada in 2011 as Executive Vice President – Marketing and less than a year later became responsible for Personal & Commercial Banking. Ms. Giard has more than 30 years' experience in the banking industry, including several years at the Bank of Nova Scotia (Scotiabank), which she joined in 1982 and where she held various executive positions of increasing responsibility including Senior Vice President of Québec & Eastern Ontario Region. Ms. Giard has a Bachelor's degree in Economics from Université de Montréal and an MBA from Université du Québec à Montréal. She is a member of the Board of Directors of TFI International Inc.

ANTHONY R. GRAHAM

Vice Chairman, Wittington Investments, Limited, the principal holding company of the Weston-Loblaw Group
Toronto, Ontario, Canada
Age: 62
Director since: N/A
(Mr. Graham is a new candidate proposed for election as director)
Independent
Votes in favour at previous annual meeting: N/A

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS(E)
December 31, 2018	**—**	**—**	**—**
December 31, 2017	—	—	—
Change	—	—	—

Skills and Experience
Board of Directors/Corporate Governance – CEO/Senior Executive Officer – Business Experience – International Business – Mergers and Acquisitions/ Investment Banking

Anthony R. Graham is Vice Chairman and director of Wittington Investments, Limited, of which he was President from 2000 to 2014. Prior to joining Wittington Investments, Limited, he held senior positions in Canada and the United Kingdom with National Bank Financial Inc. (formerly Lévesque Beaubien Geoffrion Inc.), a Montréal-based brokerage firm. Mr. Graham serves on the Board of Directors of Choice Properties REIT, Power Corporation of Canada and Power Financial as well as certain private companies.

AUGUST W. HENNINGSEN

Corporate Director
Hamburg, Germany
Age: 68
Director since 2016
Member of:
the FRMC (Co-Chair)
the HRCC
Independent
Votes in favour at previous annual meeting: 98.99%

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS(E)
December 31, 2018	**—**	**26,500**	**182,936**
December 31, 2017	—	—	153,133
Change	—	26,500	29,803

Skills and Experience
CEO/Senior Executive Officer – Business/ Operations and Manufacturing Activities – Managing/Leading Growth and Innovation – Financial Literacy – Human Resources and Compensation

August W. Henningsen was Chief Executive Officer of Lufthansa Technik AG from April 2000 until his retirement in April 2015. Prior to that, he had been General Manager and Chief Executive Officer of Ameco Beijing from August 1997 until March 2001. He began his career at Lufthansa in 1979 and held numerous positions of increasing responsibility in the Lufthansa group until July 1997. He holds a Master's degree in Mechanical and Aeronautical Engineering from the Technical University of Braunschweig. Mr. Henningsen is the Chairman of the Board of Directors of Hamburg Airport and also sits on the Board of Directors of Lufthansa Technik AG and Technical University of Hamburg.

PIERRE MARCOUILLER

President, Nexcap Inc., a private investment company
Magog, Québec, Canada
Age: 63
Director since 2017
Member of:
the Audit Committee
the HRCC
Independent
Votes in favour at previous annual meeting: 99.09%

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS(E)
December 31, 2018	**—**	**—**	**126,374**
December 31, 2017	—	—	62,041
Change	—	—	64,333

Skills and Experience
Business/Operations and Manufacturing Activities – Managing/Leading Growth and Innovation – International Business – Marketing – Human Resources and Compensation

Pierre Marcouiller is the President of Nexcap Inc. He is the former Executive Chairman of the Board of Directors of Camso Inc., a manufacturing business of off-road tires and tracks, a position he held from April 2017 until December 2018, after having been Chairman of its Board of Directors and Chief Executive Officer since 2000. Before joining Camso Inc., he was President and Chief Executive Officer of Venmar Ventilation Inc., a North American leader in air quality products, from 1986 to 1996. Mr. Marcouiller is Entrepreneur-Trainer at the École d'Entrepreneurship de Beauce and sits on the Board of Directors of certain private companies.

DOUGLAS R. OBERHELMAN

Corporate Director
Edwards, Illinois, United States
Age: 66
Director since 2017
Member of:
the Audit Committee
Independent
Votes in favour at previous annual meeting: 99.54%

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS(E)
December 31, 2018	**—**	**100,000**	**82,415**
December 31, 2017	—	—	16,573
Change	—	**100,000**	65,842

Skills and Experience
Senior Executive Officer – Business/Operations and Manufacturing Activities – Financial Literacy – Human Resources and Compensation – Board of Directors/Corporate Governance

Douglas (Doug) R. Oberhelman was, at the time of his retirement in March 2017, Executive Chairman of Caterpillar, of which he had been the Chief Executive Officer from the beginning of 2010 until the end of 2016. During his 41 years at Caterpillar, Mr. Oberhelman held various executive positions of increasing responsibility, including Vice President and Chief Financial Officer from 1995 to 2002 and Group President from 2002 to 2010. He serves on the Board of Directors of Exxon Mobil Corporation and Peter Kiewit Sons' Inc. He is also Vice President of the Wetlands America Trust and Chairman of the Board of trustees for the Easter Seals Foundation of Central Illinois.

VIKRAM PANDIT

Chairman and Chief Executive Officer of The Orogen Group, a company investing in the financial services industry
New York, New York, United States
Age: 62
Director since 2014
Lead Director
Member of:
the HRCC (Chair)
the CGNC
Independent
Votes in favour at previous annual meeting: 98.53%

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS(E)
December 31, 2018	**—**	**—**	**330,240**
December 31, 2017	—	—	300,437
Change	—	—	29,803

Skills and Experience
Chairman/CEO – Managing/Leading Growth and Innovation – International Business – Mergers and Acquisitions/Investment Banking – Human Resources and Compensation

Vikram Pandit is the Chairman and Chief Executive Officer of The Orogen Group. He is the former Chief Executive Officer of Citigroup Inc. (multinational financial services corporation), a position he held from December 2007 until he resigned in October 2012. Prior to that, he had been Chairman and Chief Executive Officer of Citi Alternative Investments and subsequently led Citi's Institutional Clients Group in 2007, after Old Lane, LP, a hedge fund of which he was a founding member and Chairman of the members committee since 2006, was acquired by Citigroup Inc. Mr. Pandit began his career at Morgan Stanley as an associate in 1983 and became President and Chief Operating Officer of the company's institutional securities and investment banking businesses in 2000. Mr. Pandit received his Ph.D. in Finance from Columbia University in 1986 and holds B.S. and M.S. degrees in Engineering from the same university. Mr. Pandit serves on the Board of Directors of ExlService Holdings, Inc. and Virtusa Corporation as well as certain private companies.

ANTONY N. TYLER

Corporate Director
Pokfulam, Hong Kong
Age: 63
Director since 2017
Member of the:
the CGNC
the FRMC
Independent
Votes in favour at previous annual meeting: 99.34%

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS(E)
December 31, 2018	**—**	**—**	**98,106**
December 31, 2017	—	—	57,006
Change	—	—	41,102

Skills and Experience
CEO/Senior Executive Officer – Managing/Leading Growth and Innovation – International Business – Human Resources and Compensation – Board of Directors/Corporate Governance – Government Relations

Antony N. Tyler was Director General and Chief Executive Officer of the International Air Transport Association, the trade association of the world's airlines, from 2011 to 2016. Prior to this, he spent his career with Cathay Pacific Airways Limited of which he was Chief Executive Officer from 2007 to 2011. He is a member of the Board of Directors of BOC Aviation Limited, a global aircraft operating leasing company, Qantas Airways Limited and Trans Maldivian Airways (Pvt) Ltd. and is a Fellow of the Royal Aeronautical Society.

BEATRICE WEDER DI MAURO

Professor of International Macroeconomics
Singapore
Age: 53
Director since 2016
Member of:
the Audit Committee
the FRMC
Independent
Votes in favour at previous annual meeting: 99.34%

	CLASS A SHARES	CLASS B SUBORDINATE VOTING SHARES	DEFERRED STOCK UNITS(E)
December 31, 2018	**—**	**—**	**182,936**
December 31, 2017	—	—	153,133
Change	—	—	29,803

Skills and Experience
Financial Literacy – Board of Directors/Corporate Governance – Business Experience – International Business – Government Relations

Beatrice Weder di Mauro is a professor of international economics at The Graduate Institute of International and Development Studies since January 2019 and the President of the Center for Economic Policy Research since July 2018. She is also a research professor since 2017 and a distinguished fellow-in-residence since 2015 at INSEAD in Singapore. Previously, from 2001 until July 2018, she was the Chair of Economic Policy and International Macroeconomics at the Johannes Gutenberg University of Mainz. Ms. Weder di Mauro was a member of the German Council of Economic Experts from 2004 to 2012. In 2010, she was a resident scholar at the International Monetary Fund (IMF) in Washington, DC and, in 2006, a visiting scholar at the International Monetary Fund (IMF) in Washington, D.C. She was an associate professor of economics at the University of Basel between 1998 and 2001 and a research fellow at the United Nations University in Tokyo from 1997 to 1998. Prior to this, she was an economist at the IMF in Washington, DC. Ms. Weder di Mauro earned her PhD and Habilitation in economics at the University of Basel in 1993 and 1999 respectively. She sits on the Board of Directors of UBS AG and UBS Group AG and is a member of the Supervisory Board of Robert Bosch GmbH.

NOTES

(*) The information appearing on pages 9 to 13 of this Circular is determined as at December 31, 2018 and December 31, 2017, respectively.

(*) No Series 2, Series 3 or Series 4 Preferred Shares are beneficially owned by a nominee or are subject to his or her control or direction.

(A) Although Pierre Beaudoin does not hold any Director Deferred Stock Units, as at December 31, 2018, he held the number of Stock Options, Performance Share Units and Deferred Stock Units disclosed in Section 3 of this Circular. Please refer to the tables "Outstanding Share-Based Awards and Option-Based Awards for Pierre Beaudoin" and "Vested DSUs Total Holding Table for Pierre Beaudoin" below for details.

(B) Claire Bombardier Beaudoin, mother of Pierre Beaudoin, exercises, through holding corporations which she controls, control or direction over 61,373,490 Class A shares, which include 500,000 Class A shares over which Claire Bombardier Beaudoin exercises controls jointly with her husband, Laurent Beaudoin, through Beaudier Inc., a portfolio holding company of the Beaudoin family which is controlled by Laurent Beaudoin and Claire Bombardier Beaudoin, through holding companies which they control. Claire Bombardier Beaudoin also exercises control jointly with her husband, Laurent Beaudoin, through Beaudier Inc. over 8,695,136 Class B subordinate voting shares.

(C) The complete details of the compensation of Alain Bellemare, the President and Chief Executive Officer, for the financial year ended December 31, 2018, which includes the number of Stock Options and Performance Share Units held by him at December 31, 2018, are disclosed in Section 5 of this Circular.

(D) Janine Bombardier, mother of Joanne Bissonnette, exercises, through holding corporations which she controls, control or direction over 61,973,491 Class A shares and 7,110,137 Class B subordinate voting shares.

(E) "Deferred Stock Units" refer to the Director Deferred Stock Units credited to each of the non-executive directors pursuant to the Director Deferred Stock Unit Plan which is more fully explained in Section 3 of this Circular. The number of Deferred Stock Units for each director has been determined as at December 31, 2018 and December 31, 2017, respectively, except for the Deferred Stock Units that were credited in payment of the applicable portion of the Board retainer and, if applicable, additional retainer and travel fees earned for the quarters ended on December 31, 2018 and December 31, 2017, respectively, the number of which was determined at January 7, 2019 and January 8, 2018, respectively.

(F) J. R. André Bombardier, father of Charles Bombardier, exercises, through holding corporations which he controls, control or direction over 65,401,042 Class A shares and 7,335,910 Class B subordinate voting shares.

(G) Huguette Bombardier Fontaine, mother of Diane Fontaine, exercises, through holding corporations which she controls, control or direction over 60,701,887 Class A shares and 7,070,136 Class B subordinate voting shares.

To the knowledge of Bombardier and based upon information provided by the nominees for election to the Board of Directors, no such nominee:

a) is, as at the date of this Circular, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including Bombardier) that:

   (i) was the subject, while such person was acting in that capacity, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

   (ii) was subject to an event that occurred while that person was acting in such capacity and which resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

   (iii) while such person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

b) has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

APPOINTMENT OF THE INDEPENDENT AUDITORS OF BOMBARDIER AND AUDIT COMMITTEE INFORMATION

APPOINTMENT OF THE INDEPENDENT AUDITORS

Bombardier proposes that Ernst & Young be appointed as its independent auditors and that the directors of Bombardier be authorized to fix the remuneration of the independent auditors.

Except where authority to vote on the appointment of the independent auditors of the Corporation is withheld, the persons named in the accompanying form of proxy or voting instruction form, as the case may be, will vote FOR the appointment of Ernst & Young LLP, chartered professional accountants, and FOR their remuneration to be fixed by the directors of the Corporation.

AUDIT COMMITTEE INFORMATION

Diane Giard acts as Chair of the Audit Committee of Bombardier and Martha Finn Brooks, Pierre Marcouiller, Douglas R. Oberhelman and Beatrice Weder di Mauro are its other members. Each of them is independent and financially literate within the meaning of National Instrument 52-110 – *Audit Committees*.

For further information relating to the Audit Committee and independent auditors of the Corporation, please refer to the section entitled "Audit Committee Disclosure" in the Corporation's Annual Information Form for the financial year ended December 31, 2018, which has been filed with securities regulators at www.sedar.com and may be obtained on request from the Public Affairs Department of Bombardier or at www.bombardier.com.

NON-BINDING ADVISORY VOTE ON BOMBARDIER'S APPROACH TO EXECUTIVE COMPENSATION

The approach of Bombardier regarding executive compensation is to maximize the overall performance of the Corporation through the individual performance of its executives. The goals of the policy are to attract, retain and motivate executives in order to increase business performance and enhance shareholder value which supports the pay-for-performance commitment of Bombardier.

Bombardier's executive compensation policy focuses on total compensation: base salary, short-term incentives, long-term incentives, pension, benefits and perquisites. The Corporation's philosophy is to position the total executive direct compensation package at the median (50th percentile) compared with similar positions in companies that have international operations and are comparable in size and complexity to Bombardier in the relevant markets.

Section 5 "Remuneration of the Executive Officers of Bombardier" of this Circular provides a lot of meaningful information on the various elements of the executive compensation policy of Bombardier.

The Board of Directors decided, during its meeting on March 30, 2011, to implement advisory, but non-binding, votes on executive compensation (otherwise known as "Say on Pay"). Thus, the shareholders of the Corporation will be called, during the Meeting, to vote "**FOR**" or "**AGAINST**" the adoption of the following resolution with respect to Bombardier's approach to executive compensation:

"RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors of Bombardier Inc., that the shareholders of Bombardier Inc. accept the approach to executive compensation disclosed in the Management Proxy Circular delivered in advance of the annual meeting of the shareholders of Bombardier Inc. held on May 2, 2019".

Since this is an advisory resolution, the results will not be binding on the Board of Directors. However, the members of the HRCC will take into account the results of the vote when reviewing, in the future, executive compensation philosophy, policies, programs or arrangements.

The results of the vote will also be included in the report on voting results to be posted on the SEDAR website, at www.sedar.com, following the Meeting.

The Board of Directors recommends to its shareholders and their proxyholders to vote FOR the adoption of this non-binding advisory resolution on Bombardier's approach to executive compensation.

Adoption of this resolution will require a majority of the votes cast, by proxy or in person, by the holders of Class A shares and holders of Class B subordinate voting shares, voting together.

SECTION 3 : REMUNERATION AND ATTENDANCE RECORD OF THE DIRECTORS OF BOMBARDIER

This section describes the approach to compensation for the directors at Bombardier.

With a view to providing market competitive compensation and aligning the interests of directors and shareholders, the CGNC reviews the amount and form of non-executive directors' compensation in light of the responsibilities and time commitment required of directors. The CGNC monitors the competitiveness of Bombardier's Board of Directors compensation against public companies in Canada and the United States that have international operations and are comparable in size and complexity to Bombardier. The CGNC did not recommend any change to the amount or form of compensation for the financial year ended December 31, 2018.

Please note the following disclosure for each director who served in that capacity for any part of the most recently completed financial year, which is relevant throughout this Section 3:

- Laurent Beaudoin retired as a director at the close of the previous annual meeting of the Corporation held on May 3, 2018;
- Diane Giard was appointed as Chair of the Audit Committee, effective June 5, 2018, and member of the CGNC at the meeting of the Board of Directors of the Corporation held on May 3, 2018;
- Pierre Marcouiller ceased to be a member of the CGNC following the meeting of the Board of Directors of the Corporation held on May 3, 2018;
- Douglas R. Oberhelman was appointed as a member of the Audit Committee at the meeting of the Board of Directors of the Corporation held on May 3, 2018;
- Vikram Pandit ceased to be the Chair and a member of the Audit Committee, effective June 4, 2018, following the appointment, effective June 5, 2018, of Diane Giard as Chair and member of the Audit Committee at the meeting of the Board of Directors of the Corporation held on May 3, 2018;
- Carlos E. Represas ceased to be a member of the FRMC following the meeting of the Board of Directors of the Corporation held on May 3, 2018; and
- Beatrice Weder di Mauro was appointed as a member of the FRMC at the meeting of the Board of Directors of the Corporation held on May 3, 2018.

ATTENDANCE RECORD OF DIRECTORS DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

The following table sets forth the number of meetings of the Board of Directors and its Committees held between January 1, 2018 and December 31, 2018 and the record of attendance at these meetings of the directors of the Corporation, all of whom, except for Laurent Beaudoin, J. R. André Bombardier, Jean-Louis Fontaine and Carlos E. Represas, are nominees for election to the Board of Directors for the ensuing year.

Individual Who Acted as Director During the Year 2018	Board(1)	Audit Committee *Chair*: Diane Giard	Corporate Governance and Nominating Committee *Chair*: Carlos E. Represas	Human Resources and Compensation Committee *Chair*: Vikram Pandit	Finance and Risk Management Committee *Co-Chairs*: Martha Finn Brooks August W. Henningsen	Individual Attendance Rate
Laurent Beaudoin	2/2	—	—	—	—	100%
Pierre Beaudoin(2)	8/8	(2)	(2)	(2)	(2)	100%
Alain Bellemare(2)	8/8	(2)	(2)	(2)	(2)	100%
Joanne Bissonnette	8/8	—	—	—	—	100%
J. R. André Bombardier	8/8	—	—	—	—	100%
Martha Finn Brooks	7/8	5/5	—	—	4/4	94%
Jean-Louis Fontaine	7/8	—	—	—	—	88%
Diane Giard	8/8	3/3	2/2	—	—	100%
August W. Henningsen	8/8	—	—	4/4	4/4	100%
Pierre Marcouiller	8/8	5/5	2/2	4/4	—	100%
Douglas R. Oberhelman	8/8	3/3	—	—	—	100%
Vikram Pandit	8/8	1/2	4/4	4/4	—	94%
Carlos E. Represas	7/8	—	4/4	4/4	2/2	94%
Antony N. Tyler	8/8	—	4/4	—	4/4	100%
Beatrice Weder di Mauro	8/8	5/5	—	—	2/2	100%
Overall Attendance Rate:	97%	96%	100%	100%	100%	—

(1) Including two special sessions for the review of the strategic plan and the operating plans and budgets of the Corporation held during the year.

(2) The Chairman of the Board of Directors, Pierre Beaudoin, and the President and Chief Executive Officer, Alain Bellemare, were not members of any of the committees of the Board of Directors; however, they were entitled to attend and to participate in all the meetings of the committees (except in camera meetings), but not to vote.

ELEMENTS OF COMPENSATION DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

The following table illustrates the elements of compensation to which the directors were entitled during the financial year ended December 31, 2018, with the exception of Alain Bellemare, who received no compensation for serving as a director of the Corporation.

Type of Fees	($)
Board Retainers	
Chairman of the Board of Directors	500,000
Directors (other than the Chairman of the Board of Directors and the President and Chief Executive Officer)	150,000
Additional Retainers	
Lead Director of the Board of Directors	15,000
Audit Committee Chair	20,000
Other Committee Chair	10,000
Committee Members (other than the Chair)	5,000
Travel Fees	
Travel Fees(1)	2,500

(1) Every time a director has a travel time of three hours or more from his/her residence in order to attend a meeting of the Board of Directors and/or one of its committees, in person, he/she is entitled to receive travel fees.

No fees are paid for attendance at Board of Directors or committee meetings, subject to the travel fees mentioned in the above table when applicable.

Certain directors also receive a limited number of perquisites and benefits such as office administration, car allowance and group and/or life insurance. See "Summary Compensation Table" below for further details.

The Chairman of the Board of Directors is also entitled to an annual business development allocation in an aggregate amount of $250,000, pursuant to a business development agreement entered into between the Corporation and Pierre Beaudoin in 2017, under which the latter assists the Corporation with customer transactions, stakeholder relations and sales campaigns, and continues to participate to various international events and conferences. Pierre Beaudoin has served in a variety of key roles at Bombardier over the past 30+ years (including President and Chief Executive Officer between 2008 and February 2015 and Executive Chairman between February 2015 and June 2017), and understands the Corporation and its various stakeholders. His deep knowledge of the industries in which Bombardier operates, long-term perspective and lifelong commitment to the Corporation adds significant value to the Corporation's stakeholder relationships. Mr. Beaudoin is an advocate for sustainability at the Corporation and a leader in advancing mobility and connectivity in the transportation industry, which adds significant value to Board of Directors deliberations. Under Mr. Beaudoin's leadership, the Board of Directors provided the Corporation with direction on various corporate-wide issues such as sustainability, mobility and stakeholder relationships.

Please also see "Minimum Shares and/or DDSUs Holding Requirement" and "Director Deferred Stock Unit Plan" below for details on the allocation of compensation earned during the financial year ended December 31, 2018 by the directors of the Corporation entitled to receive them as between fees credited in Director Deferred Stock Units ("DDSUs") and those paid in cash.

ALLOCATION OF COMPENSATION EARNED DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

The following table shows the allocation of compensation earned during the financial year ended December 31, 2018 by the directors of the Corporation entitled to receive them:

	Annual Fees				Travel Fees	Total	Allocation of Compensation		
Director	Board Retainer[1] ($)	Lead Director ($)	Committees ($)	Total ($)	Travel Fees[2] ($)	Total Fees Earned ($)	Total Fees Paid in Cash ($)	Total Fees Credited in DDSUs ($)	Number of DDSUs Credited[3]
Laurent Beaudoin	75,000	—	—	75,000	—	75,000	—	75,000	22,598
Pierre Beaudoin	500,000	—	—	500,000	—	500,000	500,000	—	—
Joanne Bissonnette[4]	150,000	—	—	150,000	—	150,000	75,000	75,000	29,803
J. R. André Bombardier	150,000	—	—	150,000	—	150,000	—	150,000	59,606
Martha Finn Brooks[2][4]	150,000	—	15,000	165,000	10,000	175,000	100,000	75,000	29,803
Jean-Louis Fontaine	150,000	—	—	150,000	—	150,000	—	150,000	59,606
Diane Giard[5]	150,000	—	12,500	162,500	—	162,500	—	162,500	65,774
August W. Henningsen[2]	150,000	—	15,000	165,000	7,500	172,500	97,500	75,000	29,803
Pierre Marcouiller[5]	150,000	—	12,500	162,500	—	162,500	—	162,500	64,333
Douglas R. Oberhelman[2][5]	150,000	—	2,500	152,500	10,000	162,500	—	162,500	65,842
Vikram Pandit[2][4]	150,000	15,000	25,000	190,000	7,500	197,500	122,500	75,000	29,803
Carlos E. Represas[2]	150,000	—	17,500	167,500	10,000	177,500	102,500	75,000	29,803
Antony N. Tyler[2]	150,000	—	10,000	160,000	10,000	170,000	57,500	112,500	41,102
Beatrice Weder di Mauro[2]	150,000	—	7,500	157,500	5,000	162,500	87,500	75,000	29,803

(1) The full amount of the Board retainer was credited in DDSUs to every director, except for (i) Pierre Beaudoin; (ii) Joanne Bissonnette; (iii) Martha Finn Brooks; (iv) August W. Henningsen; (v) Vikram Pandit; (vi) Carlos E. Represas; (vii) Antony N. Tyler; and (viii) Beatrice Weder di Mauro (in the case of Mses. Bissonnette and Finn Brooks and Mr. Pandit, see note 4 below).

(2) This director was entitled to travel fees of $2,500 for each meeting which he/she attended in person, where applicable.

(3) Included in these numbers are DDSUs that were credited on January 7, 2019 in payment of the applicable portion of the Board retainer and, if applicable, additional retainer and travel fees earned for the quarter ended on December 31, 2018.

(4) This director elected to receive only 50% of his/her Board retainer in the form of DDSUs.

(5) This director elected to receive 100% of his/her additional retainers and/or travel fees in DDSUs.

SUMMARY COMPENSATION TABLE

The Summary Compensation Table below shows all of the annual compensation information for each of the directors for the financial year ended December 31, 2018, with the exception of the President and Chief Executive Officer, Alain Bellemare, who did not receive any compensation for acting as a director of the Corporation.

The remuneration of the President and Chief Executive Officer, Alain Bellemare, is disclosed in Section 5 of this Circular.

Name of Director	Total Fees Earned[(1)] ($)	All Other Compensation ($)	Total Compensation ($)
Laurent Beaudoin	75,000	39,200[(2)]	114,200
Pierre Beaudoin	500,000	299,700[(3)]	799,700
Joanne Bissonnette	150,000		150,000
J. R. André Bombardier	150,000	44,300[(4)]	194,300
Martha Finn Brooks	175,000	—	175,000
Jean-Louis Fontaine	150,000	200[(5)]	150,200
Diane Giard	162,500	—	162,500
August W. Henningsen	172,500	—	172,500
Pierre Marcouiller	162,500	—	162,500
Douglas R. Oberhelman	162,500	—	162,500
Vikram Pandit	197,500	—	197,500
Carlos E. Represas	177,500	58,000[(6)]	235,500
Antony N. Tyler	170,000	—	170,000

(1) Please refer to the previous table "Allocation of Compensation Earned during the Financial Year ended December 31, 2018" of this Circular for details on the allocation of compensation earned during the financial year ended December 31, 2018 as between fees credited in DDSUs and those paid in cash.

(2) Included in this amount is (i) the sum of $32,800, which represents the aggregate costs to Bombardier for administration of the office of Laurent Beaudoin, former director and Chairman Emeritus of the Board of Directors, including rent, executive assistant compensation and office supplies, and (ii) the sum of $6,400, which represents the estimated costs to Bombardier for premium paid for group insurance in excess of that generally available to salaried employees. The amounts paid were calculated until May 3, 2018, date on which Laurent Beaudoin ceased to be a director of the Corporation, and were converted from Canadian dollars to US dollars based on an average exchange rate of 0.7729 during the year ended December 31, 2018.

(3) Including an amount of $250,000, which represents the aggregate annual business development allocation under the business development agreement entered into between the Corporation and Pierre Beaudoin in 2017. Also included in this amount is (i) the sum of $27,200, which represents the aggregate costs to Bombardier for the car allowance of Pierre Beaudoin, including the actual car leasing costs, insurance, parking and registration vehicle costs, and (ii) the sum of $22,500, which represents the estimated costs to Bombardier for medical exam and premium paid for group insurance in excess of that generally available to salaried employees. The amounts paid were converted from Canadian dollars to US dollars based on an average exchange rate of 0.7729 during the year ended December 31, 2018.

(4) Included in this amount is (i) the sum of $37,300, which represents the aggregate costs to Bombardier for administration of the office of J. R. André Bombardier, including rent, executive assistant compensation and office supplies; (ii) the sum of $6,900, which represents the aggregate costs to Bombardier for the car allowance of Mr. Bombardier, including the actual car leasing costs, insurance and registration vehicle costs; and (iii) the sum of $100 representing the estimated costs to Bombardier for premium paid for life insurance in excess of that generally available to salaried employees. The amounts paid were converted from Canadian dollars to US dollars based on an average exchange rate of 0.7729 during the year ended December 31, 2018.

(5) Represents the estimated costs to Bombardier for premium paid for life insurance in excess of that generally available to salaried employees. The amounts paid were converted from Canadian dollars to US dollars based on an average exchange rate of 0.7729 during the year ended December 31, 2018.

(6) Represents the aggregate amount of the compensation paid to Carlos E. Represas' holding company for his services as Chairman of the Mexico Advisory Board of Bombardier and as Chairman Non Executive of Bombardier Latin America, converted from Canadian dollars to US dollars based on an average exchange rate of 0.7729 during the year ended December 31, 2018.

In addition to the annual compensation shown in the Summary Compensation Table above, Laurent Beaudoin, Pierre Beaudoin, J. R. André Bombardier and Jean-Louis Fontaine received the following pension benefits during the financial year ended December 31, 2018, to which they were entitled as former executives of Bombardier. As these amounts were previously earned by them in respect of their services as executive officers of Bombardier in prior years, they are not included as remuneration in the Summary Compensation Table for the financial year ended December 31, 2018, and relevant details can be found in previous years' circulars of Bombardier.

Director	Pension Benefits(1) ($)
Laurent Beaudoin	374,700(2)
Pierre Beaudoin	847,500
J. R. André Bombardier	234,600
Jean-Louis Fontaine	342,000

(1) All amounts paid were converted from Canadian dollars to US dollars based on an average exchange rate of 0.7729 during the year ended December 31, 2018.
(2) This amount was calculated until May 3, 2018, date on which Laurent Beaudoin ceased to be a director of the Corporation.

MINIMUM SHARES AND/OR DDSUS HOLDING REQUIREMENT

The Board of Directors believes that it is important that directors demonstrate their commitment to Bombardier's growth through their respective shares and/or DDSUs holding.

Each director (other than the Chairman of the Board and directors who are also executive officers) is required to hold shares and/or DDSUs having a minimum value of CDN $400,000 (equal to $293,500 based on an exchange rate of 0.7337 as of December 31, 2018 and to $319,000 based on an exchange rate of 0.7975 as of December 31, 2017) throughout his/her tenure as a director.

To encourage directors (other than the Chairman of the Board and directors who are also executive officers) to better align their interests with those of the shareholders by having an investment in the Corporation, the Director Deferred Stock Unit Plan (the "DDSU Plan") provides that until an eligible director meets this minimum holding requirement (it being understood that future declines in the trading price of shares on the Toronto Stock Exchange ("TSX") will not impact directors' prior compliance with the holding requirement), his/her Board retainer will be entirely credited to him/her in the form of DDSUs. Once the required threshold is met, such director must continue to receive at least 50% of his/her Board retainer in the form of DDSUs. In addition, each eligible director who is a Canadian or United States resident may elect to receive 50% or more of his/her other fees (i.e. additional retainers and/or travel fees, as applicable) in the form of DDSUs. Directors who are not residents of Canada or the United States must receive their additional retainers and travel fees and, once the holding requirement is met, 50% of their Board retainer, in cash. Please see "Director Deferred Stock Unit Plan" below for further details on DDSUs.

Pursuant to Bombardier's Code of Ethics and Business Conduct (the "Code of Ethics"), directors shall not engage in hedging activities or in any form of transactions of publicly-traded options in Bombardier securities, or any other form of derivatives relating to Bombardier securities, including "puts" and "calls". In addition, directors shall not sell Bombardier securities that they do not own (short sale).

DIRECTOR DEFERRED STOCK UNIT PLAN

DDSUs have a value equal to the weighted average trading prices of the Class B subordinate voting shares on the TSX for the five trading days immediately preceding the date of grant. DDSUs are vested on the date of grant and take the form of a bookkeeping entry credited to the eligible director's account for as long as he/she remains a director. DDSUs will be redeemed for cash upon request after the eligible director ceases to be a director, failing which the DDSUs will automatically be redeemed for cash upon the expiry of a pre-determined period. The value of a DDSU, when redeemed for cash, is equal to the closing price of the Class B subordinate voting shares on the TSX on the last trading day preceding the day of the redemption. DDSUs earn dividend equivalents in the form of additional DDSUs at the same rate as the dividends paid on the Class B subordinate voting shares. The DDSU plan is not dilutive.

DIRECTOR SHARES AND/OR DDSUS HOLDING TABLE

The following table provides information on the number and value of the Class A shares and/or Class B subordinate voting shares of Bombardier and/or DDSUs beneficially owned, or controlled or directed, directly or indirectly, by the current directors of Bombardier, excluding Alain Bellemare who is a NEO (in his case, please refer to the information disclosed in Section 5 of this Circular).

Director	Financial Year Ended December 31[1]	Number of Class A Shares	Number of Class B Subordinate Voting Shares	Total Value of Shares[2] ($)	Number of DDSUs	Total value of DDSUs[2] ($)	Total Number of Shares and DDSUs	Total Value of Shares and DDSUs[2] ($)	Share Ownership Threshold Met
Pierre Beaudoin[3]	2018	512,859	952,761	2,201,800	—	—	1,465,620	2,201,800	yes
	2017	512,859	815,112	3,217,200	—	—	1,327,971	3,217,200	yes
	Net change	—	137,649	(1,015,400)	—	—	137,649	(1,015,400)	
Joanne Bissonnette	2018	—	5,824	8,700	373,258	555,900	379,082	564,600	yes
	2017	—	5,824	14,100	343,455	829,900	349,279	844,000	yes
	Net change	—	—	(5,400)	29,803	(274,000)	29,803	(279,400)	
J. R. André Bombardier	2018	65,401,042	7,335,910	110,734,500	642,702	957,200	73,379,654	111,691,700	yes
	2017	65,401,042	7,335,910	176,806,600	583,096	1,409,000	73,320,048	178,215,600	yes
	Net change	—	—	(66,072,100)	59,606	(451,800)	59,606	(66,523,900)	
Martha Finn Brooks	2018	—	30,000	44,700	485,375	722,900	515,375	767,600	yes
	2017	—	30,000	72,500	455,572	1,100,900	485,572	1,173,400	yes
	Net change	—	—	(27,800)	29,803	(378,000)	29,803	(405,800)	
Jean-Louis Fontaine	2018	4,097,472	6,465	6,262,700	641,014	954,700	4,744,951	7,217,400	yes
	2017	4,097,472	6,465	9,982,200	581,408	1,404,900	4,685,345	11,387,100	yes
	Net change	—	0	(3,719,500)	59,606	(450,200)	59,606	(4,169,700)	
Diane Giard	2018	—	—	—	81,312	121,100	81,312	121,100	no[4]
	2017	—	—	—	15,538	37,600	15,538	37,600	no
	Net change	—	—	—	65,774	83,500	65,774	83,500	
August W. Henningsen	2018	—	26,500	39,500	182,936	272,500	209,436	312,000	yes
	2017	—	—	—	153,133	370,000	153,133	370,000	yes
	Net change	—	26,500	39,500	29,803	(97,500)	56,303	(58,000)	
Pierre Marcouiller	2018	—	—	—	126,374	188,200	126,374	188,200	yes[5]
	2017	—	—	—	62,041	149,900	62,041	149,900	no
	Net change	—	—	—	64,333	38,300	64,333	38,300	
Douglas R. Oberhelman	2018	—	100,000	148,900	82,415	122,700	182,415	271,600	yes[6]
	2017	—	—	—	16,573	40,000	16,573	40,000	no
	Net change	—	100,000	148,900	65,842	82,700	165,842	231,600	
Vikram Pandit	2018	—	—	—	330,240	491,900	330,240	491,900	yes
	2017	—	—	—	300,437	726,000	300,437	726,000	yes
	Net change	—	—	—	29,803	(234,100)	29,803	(234,100)	
Carlos E. Represas	2018	—	—	—	428,679	638,500	428,679	638,500	yes
	2017	—	—	—	398,876	963,900	398,876	963,900	yes
	Net change	—	—	—	29,803	(325,400)	29,803	(325,400)	
Antony N. Tyler	2018	—	—	—	98,108	146,100	98,108	146,100	yes[7]
	2017	—	—	—	57,006	137,800	57,006	137,800	no
	Net change	—	—	—	41,102	8,300	41,102	8,300	
Beatrice Weder di Mauro	2018	—	—	—	182,936	272,500	182,936	272,500	yes[8]
	2017	—	—	—	153,133	370,000	153,133	370,000	yes
	Net change	—	—	—	29,803	(97,500)	29,803	(97,500)	

(1) The number of the Class A shares, Class B subordinate voting shares or DDSUs beneficially owned, or controlled or directed, directly or indirectly, by each director for the financial years ended December 31, 2018 and December 31, 2017 is determined at December 31, 2018 and as at December 31, 2017, respectively, except for the DDSUs that were credited in payment of the applicable portion of the Board retainer and, if applicable, additional retainer and travel fees earned for the quarters ended on December 31, 2018 and December 31, 2017, respectively, the number of which was determined at January 7, 2019 and January 8, 2018, respectively.

(2) The total value for the financial year ended December 31, 2018 is calculated on the basis of the December 31, 2018 closing prices of the Class A share and the Class B subordinate voting share of CDN $2.08 and CDN $2.03, respectively, converted from Canadian dollars to US dollars based on an exchange rate of 0.7337. The total value for the financial year ended December 31, 2017 is calculated on the basis of the December 31, 2017 closing prices of the Class A share and the Class B subordinate voting share of CDN $3.05 and CDN $3.03, respectively, converted from Canadian dollars to US dollars based on an exchange rate of 0.7975. This value also corresponds to the market or payout value of DDSUs not paid out or distributed.

(3) In addition, Pierre Beaudoin held at December 31, 2018 the numbers of stock options, PSUs and DSUs (as hereinafter defined) disclosed in Section 3 of this Circular. Please refer to the tables "Outstanding Share-Based Awards and Option-Based Awards for Pierre Beaudoin" and "Vested DSUs Total Holding Table for Pierre Beaudoin" below for details.
(4) As Diane Giard was appointed as director on December 12, 2017, she has not yet reached the threshold.
(5) Pierre Marcouiller reached the minimum threshold under the DDSU Plan after the payment of his remuneration for the second quarter of 2018.
(6) Douglas R. Oberhelman reached the minimum threshold under the DDSU Plan in March 2018.
(7) Antony N. Tyler reached the minimum threshold under the DDSU Plan after the payment of his remuneration for the second quarter of 2018.
(8) Beatrice Weder di Mauro reached the minimum threshold under the DDSU Plan in 2017.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS FOR PIERRE BEAUDOIN

Option-Based Awards						Share Based Awards		
Name	Grant Date	Number of Securities Underlying Unexercised Options at Financial Year-End(1)	Option Exercise Price(2) ($)	Option Expiration Date	Value of Unexercised in-the-money Options at Financial Year End(3) ($)	Number of PSUs/ DSUs that Have Not Vested at the End of the Financial Year(4)	Market Value of PSUs/ DSUs that Have Not Vested at the End of the Financial Year(5)(6) ($)	Market Value of Vested Share-Based Awards not Paid or Distributed ($)
Pierre Beaudoin	August 16, 2012	1,012,883	2.66	August 16, 2019	–	–	–	1,300,100
	August 9, 2013	776,981	3.58	August 9, 2020	–	–	–	
	November 6, 2014	1,395,598	2.77	November 6, 2021	–	–	–	
	August 7, 2015	4,636,037	1.21	August 7, 2022	1,298,100	–	–	
	August 12, 2016	1,377,845	1.45	August 12, 2023	55,100	586,598	873,700	
	August 4, 2017	–(7)	–	–	–	721,154(8)	1,074,100	

(1) As of December 31, 2018, only stock options granted on August 16, 2012, August 9, 2013, November 6, 2014 and August 7, 2015 were vested.
(2) The exercise price of the stock options in this table is equal to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant was made. The exercise price was converted from Canadian dollars to US dollars based on an exchange rate of 0.7337 as of December 31, 2018.
(3) The value of unexercised in-the-money options as of December 31, 2018 is the difference between the closing price of the underlying shares as of that date and the exercise price. These options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the shares on the date of exercise. Based on the closing price of the Class B subordinate voting shares of CDN $2.03 and an exchange rate from Canadian dollars to US dollars of 0.7337 as of December 31, 2018.
(4) On August 12, 2016 and August 4, 2017, Pierre Beaudoin received grants of PSUs.
(5) Based on the closing price of the Class B subordinate voting shares on December 31, 2018 of CDN $2.03, assuming 100% of target of plan reached (in the case of PSUs and DSUs), and converted from Canadian dollars to US dollars based on an exchange rate of 0.7337 as of December 31, 2018.
(6) The vesting of all PSU grants is conditional on the attainment of the applicable performance targets. The PSUs may also vest at 0% as mentioned in this Circular. These estimates do not take into consideration possible future dividend payments.
(7) Pierre Beaudoin has not received any stock options since August 12, 2016.
(8) As disclosed in this Circular, for purposes of valuing PSUs granted on August 4, 2017, a performance factor of 0.65 was applied. In addition, the maximum vesting threshold for this grant is 100% of target (as opposed to PSUs granted prior to 2017 which had a maximum vesting threshold of 150%).

Please refer to "Remuneration of the Executive Officers of Bombardier - Compensation Elements – Long-Term Incentive Plans" of Section 5 of this Circular for details on PSUs and to "Appendix (Stock Options and 2010 Deferred Share Unit Plan (2010 DSUP)" for relevant details on DSUs and the DSU Plan and 2010 DSUP.

VESTED DSUS TOTAL HOLDING TABLE FOR PIERRE BEAUDOIN

Name	Number of Vested DSUs as of December 31, 2017	Number of Additional Vested or Credited DSUs During the Year(1)	Number of Vested DSUs as of December 31, 2018	Market Value of Vested DSUs as of December 31, 2018(2) ($)
Pierre Beaudoin	872,896	–	872,896	1,300,100

(1) No additional DSUs were credited nor vested during the financial year ended December 31, 2018 and no cash dividends were paid on the Class B subordinate voting shares during the period from January 1, 2018 to December 31, 2018.
(2) Based on the closing price of the Class B subordinate voting shares on December 31, 2018 of CDN $2.03 and converted from Canadian dollars to US dollars based on an exchange rate of 0.7337 as of December 31, 2018.

Please refer to "Appendix (Stock Options and 2010 Deferred Share Unit Plan (2010 DSUP)" for relevant details on DSUs and the DSU Plan and 2010 DSUP.

INCENTIVE PLAN AWARDS FOR PIERRE BEAUDOIN – VALUE REALIZED ON EXERCISE AND VALUE VESTED OR EARNED DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

Name	Option-Based Awards Value Realized on Exercise During the Year(1) ($)	Option-Based Awards Value Vested During the Year(2) ($)	Share-Based Awards Value Vested During the Year(3) ($)	Non-Equity Incentive Plan Compensation Value Earned During the Year(4) ($)
Pierre Beaudoin	–	11,783,600	1,157,600	–

(1) During 2018, no stock options were exercised by Pierre Beaudoin.

(2) The value is determined assuming the stock options would have been exercised on the vesting date of each relevant grant, based on the difference between the closing price of the Class B subordinate voting shares as of that date and the exercise price, and an exchange rate from Canadian dollars to US dollars on the vesting date. Some of these options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the Class B subordinate voting shares on the date of exercise.

(3) All previously outstanding RSUs vested on August 6, 2018 and none are still outstanding. The value is determined by multiplying the number of vested RSUs by the closing price of the Class B subordinate voting shares on August 6, 2018, the vesting date, of CDN $5.11 and an exchange rate from Canadian dollars to US dollars of 0.7702. No DSUs or PSUs vested during the financial year ended December 31, 2018. Please refer to "Remuneration of the Executive Officers of Bombardier—Compensation Elements – Long-Term Incentive Plans" of Section 5 of this Circular.

(4) As non-executive Chairman of the Board of Directors since July 1, 2017, Pierre Beaudoin is no longer eligible to participate in the short-term and long-term incentive plans.

Deferred Share Unit Plan ("DSU Plan") and 2010 Deferred Share Unit Plan ("2010 DSUP")

The objectives of each of the DSU Plan and 2010 DSUP is to align executives' interests with shareholder value growth, to focus on achieving financial results with a strong pay-for-performance emphasis, and to retain key talent.

The HRCC believes that these incentive plans fulfill the executive compensation policy objectives because:

- they recognize and reward the impact of longer-term strategic actions undertaken by the executives;
- they promote executive retention since the grants vest over a number of years;
- the value of the grants depends on the future value of the Class B subordinate voting shares; and
- in the case of DSUs granted prior to June 2010, there is no dilution effect on shareholders as such DSUs are delivered, upon settlement, in cash or as Class B subordinate voting shares purchased on the secondary market.

The HRCC sets target objectives for each grant based on Bombardier's financial goals. These incentive plans are designed to motivate executives to exceed Bombardier's financial targets through the application of thresholds for payouts and increased payouts when targets are exceeded.

Please refer to "Appendix (Stock Options and 2010 Deferred Share Unit Plan (2010 DSUP))" for relevant details on DSUs and the DSU Plan and 2010 DSUP.

No DSUs were granted to Mr. Beaudoin during the financial years ended December 31, 2016, 2017 and 2018.

SECTION 4 : CORPORATE GOVERNANCE

Bombardier believes that strong corporate governance is linked to strong corporate performance resulting in sustained profitability and, therefore, enhances shareholder value.

As more fully described below, Bombardier has corporate governance policies and practices which comply with and, in certain instances, even surpass, the requirements of National *Instrument 52-110-Audit Committees* (as amended, "NI 52-110"), which sets out rules regarding the composition and responsibilities of public company audit committees, *National Policy 58-201 Corporate Governance Guidelines* and *National Instrument 58-101-Disclosure of Corporate Governance Practices*.

In addition, Bombardier continuously seeks to strengthen its corporate governance practices by monitoring the coming into effect of new regulatory requirements and the evolution of best practices so as to be able to adjust its policies and practices accordingly, but always in light of its own specificity.

GOVERNANCE PRACTICES

ETHICAL BUSINESS CONDUCT

- The Code of Ethics addresses ethical conduct in Bombardier's work environment, business practices and relationships with external stakeholders. The principles set out in the Code of Ethics reflect Bombardier's belief that honesty and integrity foster a positive work environment that strengthens the confidence of all stakeholders.
- The Code of Ethics applies at all times, without exception, to all the directors and to all of Bombardier's employees and managers. Bombardier's suppliers and partners, as well as third parties (such as agents), are also expected to adhere to the Code of Ethics when dealing with or acting on behalf of Bombardier.
- The Code of Ethics explains the standards of behavior expected from everyone to whom it applies in his/her daily activities and in dealings with others, including how to deal with conflicts of interests. It does not foresee every situation that might arise. Rather, it identifies guiding principles to help one make decisions consistent with Bombardier's values and reputation.
- The Code of Ethics outlines the key responsibilities of leaders within Bombardier which are to provide a model of high standards of ethical conduct and to create a work environment reflecting both the content and the spirit of the Code of Ethics. Selected members of management are required to take part in a mandatory Code of Ethics compliance certification process. The certification process is designed to provide management with additional assurance on public disclosures and required corporate officer certifications; this process also (i) helps integrate the Code of Ethics into Bombardier's governance system; (ii) ensures that the Code of Ethics is a top priority within the leadership team; and (iii) promotes integrity as a core value.
- Consistent with its commitment and strategic approach to corporate responsibility, Bombardier has deployed a Supplier Code of Conduct. This Code essentially promotes adherence by suppliers to the 10 principles in the area of human rights, labor standards, environment and anti-corruption of the United Nations Global Compact to which Bombardier is a signatory.
- The Chief Ethics and Compliance Officer oversees corporate efforts to promote an ethical work environment and business practices and ensures full adherence to applicable laws and regulations and strict compliance with the Code of Ethics. He reports to the Audit Committee on a quarterly basis.
- In addition, EthicsPoint, a free, independent and confidential reporting system, is available through a website and call centre services offered in multiple languages, 7 days a week, anywhere around the world.
- The Code of Ethics is translated in 16 languages. In addition to being available on the SEDAR website at www.sedar.com, it may also be consulted on the website of Bombardier at www.bombardier.com in each of the 16 languages.

CONFLICT OF INTEREST

In order to allow the directors and executives to exercise independent judgment in considering a particular transaction or agreement in which a director or an executive has a material interest, the following principles apply: (i) the director or the executive is required to inform his/her colleagues of any potential conflict of interest he/she may have in connection with a particular transaction or agreement before it is brought to the attention of his/her colleagues for discussion and/or decision; and (ii) he/she will then be required, depending on the transaction or agreement under consideration, to either leave the meeting while his/her colleagues review the matter at hand or while remaining present during the meeting, refrain from participating in any manner in the discussion involving his/her colleagues or the decision that they make.

HIRING OF OUTSIDE ADVISORS

With the prior authorization of the CGNC, each director may, when needed, retain the services of outside advisors at the expense of Bombardier. The Audit Committee, the FRMC and the HRCC each have the authority to do so. Between January 1, 2018 and December 31, 2018, no outside advisor was retained by a director.

Ernst & Young are currently the independent auditors of Bombardier and work closely with the Audit Committee. As to the various services on executive compensation matters provided to Bombardier by outside advisors during the 2018 financial year, please refer to the information contained hereafter in Section 4 of this Circular under "Compensation Advisors".

ABOUT THE BOARD OF DIRECTORS OF BOMBARDIER

COMPOSITION

- As of the date of this Circular, the Board of Directors is composed of 14 directors. Detailed information on each of the 11 nominees proposed to be re-elected as directors of the Corporation for the current year and their respective attendance records at Board of Directors and committee meetings is found in Sections 2 and 3, respectively, of this Circular. Because J. R. André Bombardier, Jean-Louis Fontaine and Carlos E. Represas will act as directors up to the Meeting, information concerning them appears in the sections of this Circular that pertain to them even though they will retire at the close of the Meeting and will not seek re-election as a directors. Detailed information on the three nominees proposed to be elected as new directors of the Corporation for the current year is found in Section 2.
- The Chairman of the Board of Directors is Pierre Beaudoin.

DIRECTOR INDEPENDENCE

- The CGNC has determined that 9 of the 14 current directors, and 9 of the 14 nominees proposed for election as directors of the Corporation are independent, thus representing more than a majority of the directors, based on the following analysis:

Director	Management	Independent	Not Independent
Pierre Beaudoin	Chairman of the Board of Directors		(1) Son of Claire Bombardier Beaudoin who, through holding corporations which she controls, holds (with Janine Bombardier, Huguette Bombardier Fontaine and J. R. André Bombardier) a sufficient number of the voting rights attached to all issued and outstanding voting shares of Bombardier to affect materially the control of Bombardier and of Laurent Beaudoin, former director and Chairman Emeritus of the Board of Directors. (2) Nephew of Janine Bombardier, of Huguette Bombardier Fontaine, of J. R. André Bombardier, Vice Chairman of the Board of Directors, and of Jean-Louis Fontaine, Vice Chairman of the Board of Directors. (3) Cousin of Joanne Bissonnette, of Charles Bombardier and of Diane Fontaine.
Alain Bellemare	President and Chief Executive Officer		Executive Officer of Bombardier
Joanne Bissonnette			(1) Daughter of Janine Bombardier who, through holding corporations which she controls, holds (with Claire Bombardier Beaudoin, Huguette Bombardier Fontaine and J. R. André Bombardier) a sufficient number of the voting rights attached to all issued and outstanding voting shares of Bombardier to affect materially the control of Bombardier. (2) Niece of J. R. André Bombardier, Vice Chairman of the Board of Directors, of Jean-Louis Fontaine, Vice Chairman of the Board of Directors, of Claire Bombardier Beaudoin, of Huguette Bombardier Fontaine and of Laurent Beaudoin, former director and Chairman Emeritus of the Board of Directors. (3) Cousin of Pierre Beaudoin, Chairman of the Board of Directors, of Charles Bombardier and of Diane Fontaine.
Charles Bombardier			(1) Son of J. R. André Bombardier who, through holding corporations which he controls, holds (with Claire Bombardier Beaudoin, Janine Bombardier and Huguette Bombardier Fontaine) a sufficient number of the voting rights attached to all issued and outstanding voting shares of Bombardier to affect materially the control of Bombardier. (2) Nephew of Jean-Louis Fontaine, Vice Chairman of the Board of Directors, of Claire Bombardier Beaudoin, of Huguette Bombardier Fontaine, of Janine Bombardier and of Laurent Beaudoin, former director and Chairman Emeritus of the Board of Directors. (3) Cousin of Pierre Beaudoin, Chairman of the Board of Directors, of Joanne Bissonnette and of Diane Fontaine.

Director	Management	Independent	Not Independent
J. R. André Bombardier	Vice Chairman of the Board of Directors		(1) Brother of Janine Bombardier, Claire Bombardier Beaudoin and Huguette Bombardier Fontaine. (2) Father of Charles Bombardier. (3) Uncle of Pierre Beaudoin, Chairman of the Board of Directors, of Joanne Bissonnette and of Diane Fontaine. (4) Through holding corporations which he controls, J. R. André Bombardier holds (with Claire Bombardier Beaudoin, Janine Bombardier and Huguette Bombardier Fontaine) a sufficient number of the voting rights attached to all issued and outstanding voting shares of Bombardier to affect materially the control of Bombardier.
Martha Finn Brooks		✓	
Diane Fontaine			(1) Daughter of Jean-Louis Fontaine, Vice Chairman of the Board of Directors, and Huguette Bombardier Fontaine, the latter who, through holding corporations which she controls, holds (with J. R. André Bombardier, Claire Bombardier Beaudoin and Janine Bombardier) a sufficient number of the voting rights attached to all issued and outstanding voting shares of Bombardier to affect materially the control of Bombardier. (2) Niece of Claire Bombardier Beaudoin, of Janine Bombardier, of J. R. André Bombardier, Vice Chairman of the Board of Directors and of Laurent Beaudoin, former director and Chairman Emeritus of the Board of Directors. (3) Cousin of Pierre Beaudoin, Chairman of the Board of Directors, of Joanne Bissonnette and of Charles Bombardier.
Jean-Louis Fontaine	Vice Chairman of the Board of Directors		(1) Brother-in-law of J. R. André Bombardier, Vice Chairman of the Board of Directors, of Janine Bombardier, of Claire Bombardier Beaudoin and of Laurent Beaudoin, former director and Chairman Emeritus of the Board of Directors. (2) Father of Diane Fontaine. (3) Uncle of Pierre Beaudoin, Chairman of the Board of Directors, of Joanne Bissonnette and of Charles Bombardier. (4) Husband of Huguette Bombardier Fontaine who, through holding corporations which she controls, holds (with J. R. André Bombardier, Claire Bombardier Beaudoin and Janine Bombardier) a sufficient number of the voting rights attached to all issued and outstanding voting shares of Bombardier to affect materially the control of Bombardier.
Diane Giard		✓	
Anthony R. Graham		✓	
August W. Henningsen		✓	
Pierre Marcouiller		✓	
Douglas R. Oberhelman		✓	
Vikram Pandit		✓	
Carlos E. Represas		✓	
Antony N. Tyler		✓	
Beatrice Weder di Mauro		✓	

The directorships of all director nominees are described in their respective biographies in Section 2 of this Circular.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- **Mandate of the Board of Directors** The mandate of the Board of Directors is reproduced at Exhibit "A" to this Circular and also on the website of Bombardier at www.bombardier.com.
- **Stewardship of Bombardier** In accordance with the CBCA and as stated in its mandate, the role of the Board of Directors is to supervise the management of the business and affairs of the Corporation with the objective of creating sustained profitability and, therefore, enhancing shareholder value.

  It is the role of management to conduct the day-to-day operations of Bombardier in a way that is consistent with the strategic plan, operating plans and budgets approved by the Board of Directors. In this context, the President and Chief Executive Officer of Bombardier, Alain Bellemare, makes recommendations to the Board of Directors with respect to matters of corporate strategy and policy. The Board of Directors then makes the decisions which it deems appropriate and supervises the execution of such decisions and reviews the results obtained.

The Board of Directors decides all matters coming under its jurisdiction pursuant to the CBCA, Bombardier's restated articles of incorporation and by-laws, any applicable legislation, the policies of Bombardier or the mandate of the Board of Directors and the charter of its four Committees. It also acts in accordance with the Code of Ethics. The Board of Directors may assign to one of its four Committees the prior review of any issues for which the Board of Directors is responsible. The recommendations of a Committee remain, however, subject to the approval of the Board of Directors.

Any responsibility which is not delegated to either corporate management or a Committee of the Board of Directors remains with the Board of Directors. In general, all matters or policies and all actions proposed to be taken which are not in the ordinary course of business require the prior approval of the Board of Directors or of one of its four Committees to which approval authority is delegated.

- **Strategic planning** Every year, the President and Chief Executive Officer together with the President of each business segment, namely Transportation, Business Aircraft, Commercial Aircraft and Aerostructures and Engineering Services, and senior executive officers from the Corporate Office present, during special sessions, the strategic orientation, operating plans and budgets of Bombardier for the review and approval of its Board of Directors. As provided for under its mandate, the duties of the Board of Directors include adopting a strategic plan presented by management and updating it, on at least an annual basis, by taking into account, among other things, the opportunities and risks of the business of Bombardier and the emerging trends. The Board of Directors' duties also include monitoring the implementation of the strategic plan by management.

  The Board of Directors also adopts each year appropriate operating plans and budgets and reviews them on a quarterly basis.

- **Leadership Development and Management Succession Planning** One of Bombardier's competitive foundations is to have great talent globally. To achieve its strategic objectives, Bombardier's integrated performance management process (PMP) ensures that employees and management goals, competencies and behaviors are aligned with business strategies while optimizing their learning and development opportunities to become world-class leaders and experts in their field.

  Moreover, in 2018, the succession management process was carried out within each business segment, through escalating talent review sessions. These sessions culminated in a detailed and integrated assessment of the leadership status by senior management.

  In 2019, the succession management process will be reinforced to further support Bombardier's business strategies, strengthen its talent plans and accelerate its successors' development to enhance the effectiveness, diversity, skills, knowledge and leadership. Also, more focused leadership competencies were developed in 2018, which will become the basis of a new leadership development program to be deployed in 2019. At the same time, the Board of Directors, through the HRCC, will ensure that Bombardier has a comprehensive succession plan for senior executive leaders and pertinent strategies to ensure the organization strengthens its leadership capabilities and overall talent pipeline. These initiatives will contribute to developing our leaders so they can drive Bombardier success.

- **Risk Management** Pursuant to its charter, the FRMC assists the Board of Directors in fulfilling its oversight responsibilities with respect to:

  - risk management matters;
  - financing activities;
  - retirement plan fund management;
  - environmental matters; and
  - any other matters delegated to the FRMC by the Board of Directors.

  More information on the FRMC is provided below in this Section.

- **Human Resources** In accordance with its charter, the HRCC assists the Board of Directors in its oversight responsibilities with respect to succession planning for the position of President and Chief Executive Officer of Bombardier and executives reporting to him, including all NEOs, with respect to their appointment, and with respect to the performance assessment of the President and Chief Executive Officer.

  More information on the HRCC is provided below in this Section.

- **Communications policy** The objective of the corporate disclosure policy is to ensure that communications to the investing public about Bombardier are (i) timely, factual and accurate, and (ii) disseminated in a fair and impartial manner in accordance with all applicable legal and regulatory requirements.

Among other matters, the policy outlines how Bombardier should interact with analysts, investors, the media and other people and contains measures intended to ensure compliance with its timely disclosure obligations and avoid making selective disclosure of information. The Audit Committee has the responsibility, under its charter, of monitoring this policy and updating it, when needed.

Each of the Board of Directors and the Audit Committee reviews and, where required, approves Bombardier's annual and quarterly financial statements and related management's discussion and analysis, financing documents and press releases in relation thereto prior to their dissemination and/or filing.

In addition, the Board of Directors is committed to engaging with shareholders and all of Bombardier's stakeholders. There is an internal engagement process to respond to questions and concerns raised by shareholders and other stakeholders pursuant to which all communications from shareholders and other stakeholders are referred to the appropriate executive for response, consideration or action. If and when significant issues are raised, management will in a timely manner advise the Board of Directors of such matters.

Bombardier communicates with its shareholders and other stakeholders, securities analysts and the media regularly on developments in its businesses and results, through its annual and quarterly financial reports and, when needed, reports to shareholders, press releases and material change reports.

In addition, the Corporation holds conference calls intended for investors and financial analysts to review the Corporation's financial results, to which all stakeholders may listen by telephone. A live webcast of each such call and relevant financial charts are also made available at www.bombardier.com, as well as a replay shortly after the end of the webcast. The Corporation's annual Investor Day event features updates from the President and Chief Executive Officer, Senior Vice President and Chief Financial Officer and business segment Presidents on Bombardier's progress on its business plan, followed by a Q&A session. For all media, shareholders and other stakeholders, a live webcast and relevant financial charts in support of the event are made available at www.ir.bombardier.com, and as of the following day, a replay of the webcast at the same address. In addition, in 2018, members of our management team engaged shareholders and their representatives to better understand their views about our governance and practices, which included discussions with major institutional shareholders and investor road shows and conferences.

- **Financial reporting** The Board of Directors has delegated to the Audit Committee the responsibility of monitoring and assessing the quality and integrity of Bombardier's accounting and financial reporting systems, disclosure controls and procedures, internal controls and management information systems. For this purpose, the Audit Committee reviews various presentations made periodically by the Senior Vice President and Chief Financial Officer, the Senior Director, Corporate Audit Services and Risk Assessment or the independent auditors, Ernst & Young, as the case may be.

  More information on the Audit Committee is provided below in this Section.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of Bombardier has four committees.

The charter of each committee provides a position description for its respective Chair. Essentially, the Chair provides leadership to enhance the effectiveness of the committee. The Chair also sets the agenda, ensures that the conduct of meetings provides adequate time for discussion of relevant issues and ensures that the outcome of meetings is reported to the Board of Directors.

- **Audit Committee** It consists of five directors, all of whom are independent. They are also all financially literate as required by NI 52-110.

  Diane Giard is the Chair and Martha Finn Brooks, Pierre Marcouiller, Douglas R. Oberhelman and Beatrice Weder di Mauro are the other members. Please refer to Section 3 of this Circular for the number of meetings held by the Audit Committee between January 1, 2018 and December 31, 2018 and the attendance records of its members.

  Pursuant to its charter (which is available on the website of Bombardier at www.bombardier.com and as Schedule 1 to the Annual Information Form of the Corporation for the financial year ended December 31, 2018, which has been filed with securities regulators at www.sedar.com), the objectives of the Audit Committee are (i) to help the directors meet their responsibilities with respect to accountability; (ii) to assist in maintaining good communication between the directors and the independent auditors of Bombardier, Ernst & Young; (iii) to assist in maintaining the independence of Ernst & Young; (iv) to maintain the credibility and objectivity of the financial reports of Bombardier; and (v) to investigate and assess any issue that raises significant concerns with the Audit Committee.

  The Audit Committee periodically monitors the adequacy and effectiveness of the disclosure controls and systems of internal control of Bombardier through the reports provided by the Senior Vice President and Chief Financial Officer, the Senior Director, Corporate Audit Services and Risk Assessment and Ernst & Young, as the case may be.

  As a general rule, all meetings of the Audit Committee are attended by the Chairman of the Board of Directors, the President and Chief Executive Officer, the Senior Vice President and Chief Financial Officer, the Vice President

Controller and Chief Accounting Officer and the Senior Director, Corporate Audit Services and Risk Assessment, as well as by the representatives of Ernst & Young, the independent auditors of Bombardier. During such meetings, the Audit Committee also holds private sessions with each of the President and Chief Executive Officer, the Senior Vice President and Chief Financial Officer, the Senior Director, Corporate Audit Services and Risk Assessment and the independent auditors to discuss various topics of interest.

– **Human Resources and Compensation Committee** It consists of four directors, all of whom are independent.

Vikram Pandit is the Chair of the HRCC and August W. Henningsen, Pierre Marcouiller and Carlos E. Represas are the other members. Please refer to Section 3 of this Circular for the number of meetings held by the HRCC between January 1, 2018 and December 31, 2018 and the attendance records of its members.

None of the HRCC members during the financial year ended December 31, 2018 was an active chief executive officer with a publicly-traded entity. The current members each have experience in executive compensation as either (i) a former chief executive officer of a publicly-traded corporation; (ii) a senior executive officer who had executive responsibility for very sizeable businesses; or (iii) a member of a compensation committee of a publicly-traded corporation. Furthermore, all members of the HRCC have experience in human resources having actively supervised human resources departments and assessed performance with respect to human resources and executive compensation policies and practices. The Board of Directors believes that the members of the HRCC collectively have the knowledge, experience and background required to fulfill their mandate.

Pursuant to its charter (which is available on the website of Bombardier at www.bombardier.com), the objectives of the HRCC are to review, report and, where appropriate, submit recommendations to the Board of Directors regarding the succession planning for the position of President and Chief Executive Officer of Bombardier and executives reporting to him, including NEOs. In addition, it is responsible for ensuring that the President and Chief Executive Officer has put in place and is monitoring succession planning systems and policies for senior executive positions. The internal process with respect to leadership development and management succession planning is described hereinabove in this Section.

The HRCC also reviews and recommends to the Board of Directors the appointment of the President and Chief Executive Officer and those executive officers reporting to him.

The HRCC reviews (i) occupational health and safety matters on a quarterly basis; and (ii) a 12-month consolidated Ethics and Compliance activity report on human resources issues and ensures that monitoring is in place regarding social issues such as employment equity, harassment and discrimination.

The HRCC reviews, assesses and approves a total executive compensation policy that takes into account, among other things, (i) base salary; (ii) short-term incentives; (iii) long-term incentives; and (iv) pension, benefits and perquisites, as well as the risks associated therewith. It reviews the design of equity-based compensation incentive plans and makes appropriate recommendations to the Board of Directors for its approval.

The HRCC also assesses the performance of the President and Chief Executive Officer against his objectives set at the beginning of each financial year and in light of such factors deemed appropriate and in the best interests of Bombardier, and submits its recommendations to the Board of Directors.

The HRCC is also responsible for compensation governance and in that respect, it (i) ensures, via the human resources key performance indicators, that appropriate human resource policies, procedures, practices and systems are in place to attract, motivate and retain the qualified personnel required to meet Bombardier's business objective; (ii) reviews all aspects of the executive stock ownership guidelines, including compliance therewith; (iii) reviews the compensation disclosure analysis in Bombardier's management information circulars; (iv) monitors compensation trends and emerging issues; and (v) selects and manages the HRCC's independent compensation consultants, qualifications and fees.

The Chairman of the Board of Directors, the President and Chief Executive Officer and the Senior Vice President, Human Resources attend the meetings of the HRCC. They do not have the right to vote on any matter before the HRCC. They do not participate in discussions concerning their own compensation and are required to leave the meetings when appropriate.

Compensation advisors

The HRCC retained Meridian Compensation Partners ("Meridian") to act as its independent advisor. The executive compensation consulting services provided by Meridian during the financial year ended December 31, 2018 include attendance and presentations at HRCC meetings, conducting a benchmarking review of executive compensation, reviewing and providing advice on compensation related decisions and reporting on compensation trends and practices. The HRCC did not direct Meridian to perform its services in any particular manner. Ultimately, the decisions are taken by the HRCC and may reflect factors and considerations other than information and recommendations provided by Meridian.

During the financial year ended December 31, 2018, Meridian did not provide any other services to Bombardier or to any of its directors or members of management and the HRCC is satisfied with the independence of Meridian.

In addition, as part of the Corporation's regular practice, management's consultant, Mercer (Canada) Limited ("Mercer") conducted with management a comprehensive review of the Corporation's compensation program, policies and practices in 2018.

The table below summarizes the fees paid to Meridian, the independent compensation advisor retained in 2018 to assist the Board of Directors or the HRCC in determining compensation for directors or executive officers for services provided during each of the financial years ended on December 31, 2018 and December 31, 2017.

Mandates and Fees	Financial Year Ended December 31, 2018 ($)	Financial Year Ended December 31, 2017 ($)
	Meridian	
Executive Compensation Related Fees	46,700[(1)]	62,400[(1)]
All Other Fees	0	0
Total Fees	46,700[(1)]	62,400[(1)]

(1) Fees were converted from Canadian dollars to US dollars based on an average exchange rate of 0.7729 during the year ended December 31, 2018 and on an average exchange rate of 0.7705 during the year ended December 31, 2017.

– **Corporate Governance and Nominating Committee** It consists of four directors, all of whom are independent.

Carlos E. Represas is the Chair of the CGNC and Diane Giard, Vikram Pandit and Antony N. Tyler are the other members. Please refer to Section 3 of this Circular for the number of meetings held by the CGNC between January 1, 2018 and December 31, 2018 and the attendance records of its members.

The charter of the CGNC (which is available on the website of Bombardier at www.bombardier.com) provides that it has the responsibility to monitor the selection criteria for candidates as directors and the credentials of nominees for election or re-election as directors, the composition of the Board of Directors and its committees as well as their performance and the remuneration of the non-executive directors.

The CGNC also oversees the evolution of Bombardier's corporate governance practices and policies, including the Code of Ethics, to ensure that Bombardier continues to comply with high standards of corporate governance and conducts every year an evaluation of the performance and effectiveness of the Board of Directors and its Committees.

The Chairman of the Board of Directors and the President and Chief Executive Officer attend the meetings of the CGNC. They do not have the right to vote on any matter before the CGNC.

– **Finance and Risk Management Committee** It consists of four directors, all of whom are independent.

Martha Finn Brooks and August W. Henningsen are the Co-Chairs of the FRMC and Antony N. Tyler and Beatrice Weder di Mauro are the other members. Please refer to Section 3 of this Circular for the number of meetings held by the FRMC between January 1, 2018 and December 31, 2018 and the attendance records of its members.

Pursuant to its charter (which is available on the website of Bombardier at www.bombardier.com), the FRMC reviews (i) Bombardier's material risks of a financial nature and the steps that management takes to monitor, control and manage these risks; and (ii) the adequacy of policies, procedures and controls designed by management to assess and manage these risks. It reviews and monitors, as the case may be, any significant or unusual transactions or projects related to Bombardier's ongoing activities, significant business opportunities, mergers, acquisitions, divestitures, significant asset sales or purchases or equity investments. It goes over various matters or activities related to or involving the financial situation of Bombardier such as, for example, its capital structure, its long-term debt repayment profile, its compliance with covenants under credit facilities, its customer financing activities and programs, its foreign exchange hedging policies, procedures and controls, or its insurance program coverage and related risks.

The FRMC periodically reviews the fulfillment of Bombardier's obligations under its various retirement plans and the investment of the assets of such plans. It also monitors periodically environmental matters.

The Chairman of the Board of Directors, the President and Chief Executive Officer and the Senior Vice President and Chief Financial Officer attend the meetings of the FRMC. They do not have the right to vote on any matter before the FRMC.

LEADERSHIP STRUCTURE

The Corporation determines the most suitable leadership structure from time to time. At present, the Board of Directors has chosen to separate the roles of President and Chief Executive Officer and Chairman of the Board of Directors. Maintaining separate positions for the Chairman of the Board of Directors and the President and Chief Executive Officer allows the Board of Directors to be more efficient in overseeing the Corporation's business and holding management accountable for the Corporation's activities.

Furthermore, the Board of Directors has appointed an independent Lead Director, considering that the Chairman of the Board of Directors, Pierre Beaudoin, is not an independent director. The Lead Director, Vikram Pandit, chairs the meetings of the independent directors of Bombardier as further explained below.

MEETINGS OF THE INDEPENDENT DIRECTORS

A formal structure enables the Board of Directors to function independently of the management of Bombardier.

After each meeting of the Board of Directors, the directors who are not part of corporate management and/or the majority shareholder, namely the Bombardier family, consider whether to meet privately under the chairmanship of Vikram Pandit, in his capacity of Lead Director. The Lead Director transmits to the Chairman of the Board of Directors, Pierre Beaudoin, and/or the President and Chief Executive Officer, Alain Bellemare, as the case may be, any comments, questions or suggestions raised during such meetings.

Between January 1, 2018 and December 31, 2018, the independent directors held a private meeting after three of the four regular meetings of the Board of Directors as well as after the budget review.

MANDATES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS, THE CHAIR OF EACH COMMITTEE AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

The Board of Directors adopted formal mandates which set out specific responsibilities for each of the Chairman of the Board of Directors, the Chair of each committee and the President and Chief Executive Officer, as follows:

- **Mandate of the Chairman of the Board of Directors**

  As Chairman of the Board of Directors, Pierre Beaudoin is responsible for ensuring that the Board of Directors carries out its responsibilities effectively and clearly, notably in supervising the management of Bombardier's business and affairs, in accordance with the mandate of the Board of Directors reproduced at "Exhibit "A" to this Circular. His specific responsibilities include, among other things:

  - managing the Board of Directors and setting the agenda in consultation with the President and Chief Executive Officer, Alain Bellemare;
  - providing leadership to enhance Board of Directors effectiveness and ensuring that the Board of Directors works as a cohesive team;
  - representing Bombardier in certain customer relations and conferences; and
  - working with the CGNC to ensure Board of Directors quality and continuity by:
    - reviewing the performance of the Board of Directors, its committees and individual directors;
    - making sure the skills and competencies of individual directors are incremental to the Board of Directors as a whole; and
    - ensuring that the Board of Directors develops clear position descriptions for the Chairman and the chair of each Board of Directors' committee.
- **The mandate and responsibilities of the Chair of each committee are set out in the charter of each committee.**
- **Mandate of the President and Chief Executive Officer**

  Alain Bellemare is responsible for the management and execution of Bombardier's strategic and operating plans. His specific responsibilities include, among other things:

  - executing the Board of Directors' resolutions and policies;
  - providing long-term strategic orientation in the form of a strategic plan and a business plan;
  - managing Bombardier's commercial and internal affairs by:
    - assuming responsibility for capital management and financial management;
    - implementing decisions with respect to acquisitions, divestitures, financings and similar activities, subject to prior approval of the Board of Directors;
    - ensuring that Bombardier has effective disclosure controls and procedures and internal controls in place; and
    - identifying, assessing and managing the risks involved in the course of business; and
  - representing Bombardier to external groups.

The corporate objectives which the President and Chief Executive Officer, Alain Bellemare, is responsible for meeting are determined pursuant to the operating plans and budgets approved each year by the Board of Directors; he is assessed against the achievement of the operating plans and the budgets and he may also be assessed, in part, in relation to specific objectives that have been fixed for him by the Board of Directors upon the recommendation of the HRCC.

At the beginning of each regular meeting of the Board of Directors, a private session is held involving only the President and Chief Executive Officer, Alain Bellemare, and the directors in order to allow them to review and discuss various topics of interest according to the then prevailing circumstances.

RECRUITMENT AND ELECTION OF DIRECTORS

The CGNC, composed of four independent members, has the responsibility of (i) annually reviewing the credentials of nominees for election or re-election as directors, (ii) monitoring the size and composition of the Board of Directors and its committees to ensure an effective decision-making process and (iii) submitting its recommendations to the Board of Directors. As a result of the most recent assessment of the performance of the Board of Directors by its members, the CGNC and the Board of Directors are of the view that its size and composition as well as the mix of talents, quality and skills are well suited to Bombardier's current circumstances and needs and allow for its efficient functioning as a decision-making body and promote sound governance.

In consultation with the Chairman of the Board of Directors, Pierre Beaudoin, the CGNC determines appropriate selection criteria, including any additional skill sets deemed to be beneficial, when considering Board of Directors candidates, by taking into account Bombardier's current circumstances and needs, whenever new directors have to be recruited.

Taking a strategic approach in connection with the Board of Directors succession process, the members of the CGNC focus their attention on (i) better assessing the functional expertise, experience, skills and backgrounds of the current directors in light of the needs of the Board of Directors and the Corporation, including the extent to which the current composition of the Board of Directors reflects a diverse mix of knowledge, experience, skills and backgrounds, including an appropriate number of women directors, (ii) determining and anticipating the future needs of the Board of Directors based on the evolution of the business of the Corporation and its external environment; and (iii) identifying the most suitable candidates in order to be in a position to fill an opening on the Board of Directors, given the then prevailing and projected circumstances for the Corporation.

Pierre Beaudoin, in cooperation with the members of the CGNC, identifies potential candidates as directors. The members of the CGNC examine such candidacies and make appropriate recommendations to the Board of Directors. Prior to agreeing to join the Board of Directors, a candidate is fully informed of the workload and time commitment requirements.

MAJORITY VOTING POLICY WITH RESPECT TO THE ELECTION OF DIRECTORS

Bombardier has a majority voting policy with respect to the election of its directors. It stipulates that if the votes in favour of the election of a director nominee at a shareholders' meeting represent less than a majority of the votes cast in favour of such election and withheld, the nominee would, as a result, submit his/her resignation promptly after the meeting, for the CGNC's consideration. The CGNC would then make a recommendation to the Board of Directors after reviewing the matter, and the Board of Directors' decision to accept or reject the resignation offer would be disclosed to the public through a press release. The nominee would not participate in any committee or Board of Directors deliberations on the resignation offer. The policy would not however apply in circumstances involving contested director elections.

DIVERSITY POLICY

In satisfying the Corporation's commitment to selecting the best persons to propose to shareholders as candidates for the Corporation's Board of Directors and to designate as members of management of the Corporation, the Board of Directors believes that diversity is important to ensure that the profiles of directors and members of management provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management.

Accordingly, Bombardier has adopted a diversity policy which outlines its approach to achieving and maintaining diversity on its Board of Directors and in management positions, and in addition to gender, the Corporation will continue to strive for the appropriate balance of skills, experience, independence and knowledge of Bombardier and the industry as a whole. This includes requirements for the Board of Directors to establish measurable objectives for achieving diversity on the Board of Directors and in management positions, and for the appropriate Board of Directors committees to monitor the implementation of the policy, assess the effectiveness of the Board of Directors nomination process and the appointment process for management positions at achieving the objectives of the policy and to measure the Corporation's annual and cumulative progress made in achieving the objectives. The Corporation is committed to a merit based system for Board of Directors and management composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination.

The CGNC and HRCC are responsible for monitoring the implementation and effectiveness of the diversity policy. As such, these committees assess on a periodic basis, (i) the mix of diversity, talents, quality and skills on the Board of Directors and in management positions; and (ii) progress made on diversity, including with regard to the achievement of measurable objectives and targets set pursuant to the diversity policy. The CGNC and HRCC then report their findings to the Board of Directors. For the financial year ended December 31, 2018, the situation improved slightly with regard to diversity in the percentage represented by women in management positions, increasing by 0.4%. Women currently comprise 28.6% of all directors and, assuming the election of the 14 proposed nominees at the Meeting, women will comprise 35.7% of all directors at the close of the Meeting.

Bombardier is a global company operating in 46 countries, representing more than 120 nationalities and 70 languages. Wherever it operates, and across every part of its business, it strives to create a diverse and inclusive culture, reflecting a diversity of competencies, genders, ages, personal qualities, geographical representation, business and cultural background, experience and overall expertise. Pursuant to its diversity policy, as originally implemented in 2015, Bombardier aspired towards (i) a Board of Directors composition in which women comprise at least 30% of all directors by January 1, 2018, and (ii) having at least 25% of management positions held by women by January 1, 2018, as relevant positions become vacant and appropriately-skilled candidates are available. Although the targets set for January 1, 2018 were not achieved at that date, progress has been made since, as the percentage representing the number of women in management positions has increased from 19.4% to 19.75% and the percentage representing the number of women on the Board of Directors shall increase to 35.7% at the close of the Meeting (assuming the election of the 14 proposed nominees at the Meeting), thus achieving the diversity policy's target for women directors, the whole as set out in the following table:

Category	Objective Percentage	Financial Year Ended December 31, 2018		Financial Year Ended December 31, 2017	
		Number	Percentage	Number	Percentage
Number of women in management positions	25%	772/3908	19.75%	762/3932	19.4%
Number of women on the Board of Directors	30%	4/14	28.6%(1)	4/14	28.6%

(1) Assuming the election of the 14 proposed nominees at the Meeting, women will comprise 35.7% of all directors at the close of the Meeting.

The achievement of the specific targets is influenced by a number of factors outside the Corporation's control, such as the frequency at which relevant positions become vacant and the availability of appropriately-skilled candidates, in light of Bombardier's current circumstances and needs. The CGNC and HRCC will continue to monitor the implementation of the policy, with a view to achieving, or to continue to satisfy, as applicable, the objectives of the policy.

When assessing the composition of the Board of Directors or identifying suitable candidates for appointment or re-election to the Board of Directors, the CGNC, composed entirely of independent directors, considers candidates on merit against objective criteria having due regard to the benefit of diversity and the needs of the Board of Directors. In consultation with the Chairman of the Board of Directors, the CGNC develops, reviews and monitors appropriate selection criteria for Board of Directors membership that strive to attain a diversity of competencies, gender, personal qualities, geographical representation, business background, cultural background, experience, age, overall expertise and financial competency, taking into account Bombardier's circumstances and needs.

In the process of searching for qualified Board of Directors candidates, the CGNC strives for the inclusion of diverse groups, knowledge, and viewpoints. In connection with its efforts to create and maintain a diverse Board of Directors, in identifying and nominating candidates for election or re-election to the Board of Directors, the CGNC:

- will seek to include diverse candidates in any director search. This process will take into account that qualified candidates may be found in a broad array of organizations, including privately held businesses, trade associations, in addition to the traditional candidate pool of corporate directors and officers, and from a variety of cultural and geographic backgrounds;
- periodically reviews Board of Directors recruitment and selection protocols to ensure that diversity remains a component of any search; and
- in order to support the specific objective of gender diversity, considers the level of representation of women on the Board of Directors.

As a result of the most recent assessment of the performance of the Board of Directors by its members, the CGNC and the Board of Directors are of the view that its size and composition as well as the mix of talents, quality and skills, assuming the election of the proposed nominees at the Meeting, are well suited to Bombardier's current circumstances and needs and allow for its efficient functioning as a decision-making body and promote sound governance.

The HRCC, composed entirely of independent directors, has the mandate to oversee the succession planning for the President and Chief Executive Officer and a number of selected senior executive positions, with the appointment and promotion of other members of management being delegated to management. In compliance with the Corporation's diversity policy, in fulfilling its role, the HRCC and, where applicable, management:

- considers candidates that are qualified based on their experience, education, expertise, personal qualities and general and sector-specific knowledge;
- makes decisions on appointments and promotions on the basis of performance, skill and merit;
- reviews potential candidates from a variety of cultural and geographic backgrounds and perspectives, with the Corporation's diversity objectives in mind including, without limiting the generality of the foregoing, the specific objective of gender diversity; and
- considers the level of representation of women in executive officer positions when making executive officer appointments.

Pursuant to its mandate, the HRCC also ensures that appropriate hiring policies, competency profiles, training policies and compensation structures, including retirement benefits, are in place so that Bombardier can attract, motivate and retain the qualified personnel required to meet its business objectives. All internal and external training opportunities are based on merit and in light of the Corporation's and individual needs. In addition, pursuant to its mandate, the HRCC ensures that monitoring is in place regarding social issues such as employment equity, harassment and discrimination, and reviews a 12-month consolidated Ethics and Compliance activity report on human resources issues.

The Corporation's commitment to diversity is further reflected in the Code of Ethics pursuant to which Bombardier shall offer equal employment opportunities without regard to any distinctions based on age, gender, sexual orientation, disability, race, religion, citizenship, marital status, family situation, country of origin or other factors, in accordance with the laws and regulations of each country where it does business.

Moreover, the Corporation embraces the role of women in society, and promotes gender diversity in the transportation sector. Within the aviation sector, Bombardier is a member of diversity associations, including Women in Aviation International, and offers different scholarships to support the development of women in aviation. It also participates in conferences and work sessions to lead the conversation on practical ways for women to drive their careers forward.

RETIREMENT AGE POLICY/TERM LIMITS FOR DIRECTORS

The Board of Directors does not limit the time a director can serve. While term limits can help ensure the Board of Directors gains a fresh perspective, imposing such a restriction would deprive the Board of Directors from the contributions of longer serving directors who have developed a deeper knowledge and understanding of Bombardier over time. The Board of Directors does not believe that long tenure impairs a director's ability to act independently of management.

Under the retirement age policy for the directors of the Corporation, any director who turns 72 years of age prior to the next annual shareholders meeting has to submit his/her resignation by the February Board of Directors meeting of the same year to the Chairman of the Board of Directors, Pierre Beaudoin, and the members of the CGNC. They then evaluate whether to accept this resignation depending on the needs of the Board of Directors and circumstances of Bombardier at that time. If the resignation is not accepted, each subsequent year, it will again be evaluated. If accepted, however, the resignation will become effective at the close of the annual meeting of shareholders.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The CGNC has the responsibility to review periodically the compensation of the directors, in light of both market conditions and practices as well as their risks and responsibilities. It reviews the types of compensation and the amounts paid to directors of publicly-traded companies in Canada and the United States that have international operations comparable in size and complexity to Bombardier, and makes appropriate recommendations to the Board of Directors. Any such review covers the directors (excluding however those who are executives of the Corporation) as well as the committee members and Chairs.

The CGNC also reviews periodically director share ownership guidelines.

The compensation received by the directors between January 1, 2018 and December 31, 2018 is disclosed in Section 3 of this Circular.

As explained in this Section of the Circular, the HRCC is responsible for reviewing, assessing and approving a total executive compensation policy and reviewing the design of equity-based plans. The compensation received by the NEOs between January 1, 2018 and December 31, 2018 is disclosed in Section 5 of this Circular.

ASSESSMENT OF THE DIRECTORS

Each year, the members of the CGNC conduct an evaluation of the performance and effectiveness of the Board of Directors and its Committees. Every first and second year, the Senior Vice President, General Counsel and Corporate Secretary interviews each director in order to obtain his/her comments or recommendations about the performance of (i) the Board of Directors or (ii) as the case may be, each committee on which he/she sits. In addition, every third year, each director is asked to complete a detailed questionnaire submitted by the Senior Vice President, General Counsel and Corporate Secretary to assess the performance of (i) the Board of Directors and (ii) as the case may be, each committee on which he/she sits. A summary of the results of each evaluation is submitted to the review of the CGNC and the Chairman of the Board of Directors.

Independent directors also meet periodically with both the Chairman of the Board of Directors and the Chairman of the CGNC to discuss their respective performance and any matter or issue they wish.

The CGNC periodically assesses, with the Chairman of the Board of Directors, the operation and strategic direction of the Board of Directors and its committees, their respective size, composition and structure, the performance of the directors both as a group as well as individually, the adequacy of information given to the directors, the communication between the Board of Directors and management and the processes related to the Board of Directors and its committees. The CGNC presents its findings and conclusions to the Board of Directors. The directors and members of each committee also receive a summary of the results of their respective evaluations for their review.

The annual assessment of the performance of the Board of Directors and its four committees also provides an opportunity to periodically review, and if deemed appropriate, revise their respective mandates.

ORIENTATION AND CONTINUING EDUCATION PROGRAMS

– **Orientation programs for new directors** Bombardier has an orientation program for new directors, which enables them to participate in an initial information session on the Corporation in the presence of some of its executives to learn about, among other matters, its business, financial situation and strategic planning.

  In addition, new directors are furnished with appropriate documentation, including a director's manual, providing them with information about, among other matters, the corporate governance practices of Bombardier, the structure of the Board of Directors and its committees, its history, its current commercial activities, its corporate organization, the charters of the Board of Directors and its committees setting forth their respective roles and responsibilities, Bombardier's restated articles of incorporation and by-laws, the Code of Ethics and relevant corporate policies.

  The meetings in which new directors participate (including the annual sessions for the review of the strategic orientation, operating plans and budgets) as well as discussions with other directors and with Bombardier's executives also permit new directors to familiarize themselves rapidly with Bombardier's operations.

– **Continuing education program for directors** Bombardier encourages its directors to pursue continuing education activities which could provide them with information as to the best practices associated with boards and committees and as to emerging trends that may be relevant to their role as directors.

  In addition, Bombardier's corporate management periodically makes presentations to the directors on various topics, trends and issues related to Bombardier's activities during the meetings of the Board of Directors or its committees, as the case may be, which helps the directors to constantly improve their knowledge about Bombardier and its businesses.

Visits to Bombardier's various facilities are also arranged, from time to time, for the Board of Directors, and individual visits on request.

EXECUTIVE SUMMARY

OUR EXECUTIVE COMPENSATION PHILOSOPHY AND PRINCIPLES

One of the most important responsibilities of the HRCC is to ensure that Bombardier attracts, retains and appropriately incentivizes the very best executive leadership team. Our executive compensation program plays a key role in meeting this responsibility. In setting our compensation structure and levels, we are guided by a number of fundamental principles, including:

- **Recognizing that Bombardier competes for the best executive talent globally.** Bombardier is a $16.2B revenue company that conducts business in more than 70 countries around the world. Competition in our rail and aerospace businesses is fierce and the playing field is rarely level. To succeed, Bombardier needs proactive and disciplined leaders who are capable of recognizing and responding to rapidly changing market conditions while engaging a global workforce of more than 68,000 people to drive continuous improvement. This is a unique skill set and the pool of qualified candidates is limited, which means we compete for the best executive leadership talent globally.
- **Market-based compensation is critical to attracting and retaining the best leaders around the globe.** To succeed in a complex and highly competitive environment, our compensation packages must be market-based. To ensure this goal is achieved the HRCC, with the assistance of independent compensation advisors, conducts extensive benchmarking against other global companies of comparable size and complexity. These benchmarking practices, which are described in detail below, are designed to ensure that total executive compensation is in-line with that of our competitors in relevant and comparable markets.
- **Executive pay is aligned with performance that creates shareholder value.** The vast majority of Bombardier's executive compensation – more than 80% in the case of our most senior executives - is not guaranteed. Rather, it is linked to Bombardier achieving pre-established financial targets. These targets, described in detail below, are closely aligned with the Corporation's Turnaround Plan and the creation of long-term shareholder value. This incentive-based compensation structure conforms to industry best-practices, and is designed to motivate executives to achieve and surpass key performance goals which are expected to drive shareholder value over the long term.

The following Compensation Discussion and Analysis will explain how these principles were applied in setting 2018 executive compensation at Bombardier.

KEY 2018 ACHIEVEMENTS

In 2018, the Bombardier leadership team delivered solid financial results that significantly advanced our Turnaround Plan. We completed 2018 with our operational and structural transformation in full motion across all our business segments. Some of the notable achievements across Bombardier in 2018 include:

SIGNIFICANT 2018 ACCOMPLISHMENTS
– **Successfully executing on the *Global 7500* development and certification program**. The industry flagship *Global 7500* entered into service in December 2018, as planned, and already has a full order book until 2021. The market's largest business jet boasts an unmatched range of 7,700 nautical miles (300 nautical miles further than initial commitments). The aircraft also exceeds takeoff and landing performance commitments, leading to a published takeoff distance of 5,800 feet full fuel in standard operating conditions.
– **Successfully concluding the strategic C Series Partnership with Airbus**, which closed on July 1, 2018, ahead of plan, bringing together two complementary product lines, and the benefit of Airbus' global reach creating significant value potential for the newly rebranded A220. Customer response to the partnership has been overwhelmingly positive.
– **Concluding the sale of the Downsview, Ontario property** for gross proceeds of approximately $635 million, representing net proceeds of approximately $600 million.
– **Entering into a definitive agreement** for the sale(1) of the *Q Series* Aircraft program assets and aftermarket operations, for expected gross proceeds of approximately $300 million and expected net proceeds of approximately $250 million.
– **Entering into a definitive agreement** for the sale(2) of Business Aircraft's flight and technical training activities and to monetize royalties under an existing Authorized Training Provider agreement, for expected gross proceeds of $800 million. Both transactions are expected to increase cash by $650 million, of which $155 million related to the royalties was received in 2018.

(1) The transaction remains subject to regulatory approvals and closing conditions usual in this type of transaction. There are no guarantees that the transaction will be completed and that the conditions to which it is subject will be met. Completion of the transaction is currently expected for the second half of 2019.

(2) The transaction remains subject to regulatory approvals and closing conditions usual in this type of transaction. There are no guarantees that the transaction will be completed and that the conditions to which it is subject will be met. Completion of the transaction is currently expected for the first quarter of 2019.

SIGNIFICANT 2018 ACCOMPLISHMENTS

- **Acquiring the *Global 7500* wing program** from Triumph, subsequent to the fourth quarter of the financial year ended on December 31, 2018, securing production ramp-up and long-term success of this flagship business aircraft.
- **Increasing our rail business output by 20%**, growing Transportation's backlog to $34.5 billion and improving its mix of service and signalling contracts.
- **Growing consolidated backlog to $53.1 billion** in 2018, continuing to support 2020 growth objectives.(3)
- **Continued growth of aftermarket and services** which leverages the power of a large installed base of aircraft and trains in service.

(3) Forward-looking statement. See the forward-looking statements assumptions on which the guidance is based and forward-looking statements disclaimer in the section "Forward-Looking Statements" above.

In 2018, we continued to deliver improving financial results.

2018 FINANCIAL HIGHLIGHTS

- Revenues for the year reached $16.2 billion, growing 3% year over year (excluding currency impacts) from Transportation, Business Aircraft and Aerostructures and Engineering Services, while Commercial Aircraft revenues reduced as it reshapes its portfolio.
- Earnings (loss) before financing expense, financing income and income taxes ("EBIT") before special items(1) continued to improve in 2018, increasing 42% year over year from $725 million to over $1.0 billion. The 6.3% EBIT margin before special items(2) in 2018 represents a 330 bps increase since the start of the turnaround plan in 2015. EBIT increased 235% year over year to $1.0 billion, representing a margin of 6.2%.
- The benefits of our operational transformation can be seen in strong margin expansion. EBIT margin before special items(3) exceeded 8.4% across the Transportation, Business Aircraft, and Aerostructures and Engineering Services segments, while EBIT margin was 8.7%, 8.6% and 7.5%, respectively.
- Over the full year, Bombardier generated $182 million in free cash flow ("FCF")(4), including net proceeds from transactions. In the fourth quarter, we generated $1.0 billion in FCF(5), allowing us to finish the year in a strong cash position with $3.2 billion in cash and cash equivalents, with additional net proceeds of $750 million expected in 2019 from the previously announced disposal of non-core businesses.(6) Cash flows from operating activities amounted to $597 million for the full year, and to $1.3 billion in the fourth quarter.
- We successfully completed a public offering of Class B subordinate voting shares resulting in gross proceeds of approximately CDN $638 million (then approximately $500 million), the net proceeds of which were used to supplement our working capital and for general corporate purposes, consistent with our continued proactive approach to capital management. As we execute our five-year turnaround plan, the net proceeds from this offering increased Bombardier's cash position, thereby building further operational flexibility and re-equitizing the balance sheet.

(1) EBIT before special items is a Non-GAAP financial measure. Refer to the Non-GAAP financial measures section for a definition of this metric. Also refer to the Reconciliation of EBIT before special items to EBIT under GAAP table in the Non-GAAP financial measures section for a reconciliation to the most comparable IFRS measure.

(2) EBIT margin before special items is a Non-GAAP financial measure. Refer to the Non-GAAP financial measures section for a definition of this metric. Also refer to the Reconciliation of EBIT before special items to EBIT under GAAP table in the Non-GAAP financial measures section for a reconciliation to the most comparable IFRS measure.

(3) See footnote 2 above.

(4) Free cash flow (usage) is a Non-GAAP financial measure. Refer to the Non-GAAP financial measures section for a definition of this metric. Also refer to the Reconciliation of Cash flows from operating activities to Free cash flow (usage) table in the Non-GAAP financial measures section for a reconciliation to the most comparable IFRS measure.

(5) See footnote 4 above.

(6) These transactions remain subject to regulatory approvals and closing conditions usual in these types of transactions. There are no guarantees that the transactions will be completed and that the conditions to which they are subject will be met. Completion of the sale of Business Aircraft's flight and technical training activities is currently expected for the end of the first quarter of 2019, and completion of the sale of the *Q Series* aircraft program is currently expected for the second half of 2019.

PERFORMANCE MEASURES

The HRCC, which is composed entirely of independent directors, selected EBIT before special items(1) and FCF(2) as performance measures for both the short- and long-term incentive plans because these measures are critical to advancing the Turnaround Plan. For purposes of the long-term incentive plans, EBIT before special items and FCF measures are assessed over a three-year performance period to emphasize the ultimate longer term objective of further shareholder value creation.

Although measures such as total shareholder return ("TSR") and return on equity are well-aligned with shareholders' long-term interests and may be appropriate in a "business-as-usual" context, the HRCC believes, for the time being, they are not the most suitable measures for the turnaround where Bombardier's first priority is to tightly manage cash flow while seeking to achieve sustainable profitable growth. TSR does not provide a direct link with the operational goals underlying the Turnaround Plan, which are management's core focus. The boxes below explain why the HRCC believes EBIT before special items and FCF are the most appropriate performance measures for Bombardier's short- and long-term incentive plans at the present time. The establishment of these objectives ensures momentum and clear focus towards the solid execution of the Turnaround Plan, while allowing the Board of Directors to clearly follow the progress of the transformation phase.

WHY EBIT?

EBIT before special items is an important metric during Bombardier's Turnaround Plan because it measures the earning power from ordinary operations, excluding interest and tax. EBIT before special items has been chosen as a measure for both the short- and long-term incentive plans because it measures the success of the Corporation in growing profitably (so that all growth creates value) and managing costs, which are critical to the Corporation's turnaround strategy. The HRCC believes that in a turnaround situation, return measures are less useful, because a focus on pure profitability ensures a disciplined approach, and that growth achieved will drive shareholder value.

WHY FCF?

FCF is a key metric for both short- and long-term performance because it measures Bombardier's ability to generate internal growth and deleverage the balance sheet (Phase 3 of the Turnaround Plan). FCF measures the Corporation's capital allocation process, including working capital management and investments in research and development. The HRCC believes that in a turnaround situation, cash is the single most important measure of corporate stability and performance.

In 2018, we delivered financial performance that exceeded both the consolidated EBIT before special items and FCF short-term incentive targets, which targets were generally in line with the mid-point of the financial guidance range. At the business segment level, we achieved between 0% and 153% of the respective targets.

BOMBARDIER INC. PERFORMANCE AGAINST SHORT-TERM INCENTIVE PLAN TARGETS

Key Performance Measure	Target ($ million)	Actual ($ million)	Short-Term Incentive Financial Results Factor	Adjusted Short-Term Incentive Financial Results Factor*
EBIT before special items	850	1,029	169%	100%
FCF	0	182		

* Strict application of Bombardier's financial results for the year ended December 31, 2018, for the purposes of determining the short-term incentive payout, yields a financial results factor of 169%. In light of the fact that the proceeds from the sale of non-core assets were included in FCF for the financial year ended December 31, 2018, the HRCC has decided, after a proposal made by management, to reduce the financial results factor to 100%.

The performance factors are not linear. They are designed to provide incentives to exceed pre-established targets.

EXECUTIVE COMPENSATION HIGHLIGHTS

Our philosophy is to align executive compensation with performance, and to reward superior accomplishments with higher compensation through performance-based short-term and long-term incentives.

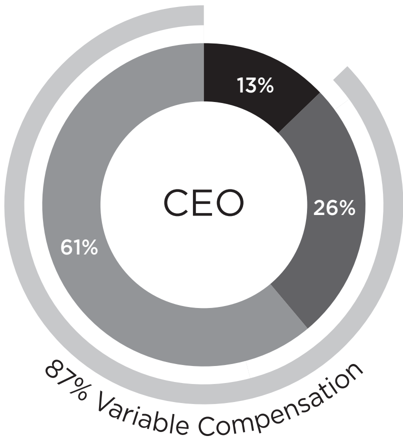
Despite Bombardier's solid performance in 2018, total compensation of our five most senior executives decreased by 4% in aggregate as compared with total compensation in 2017. Please also see the performance graph below in this Section.

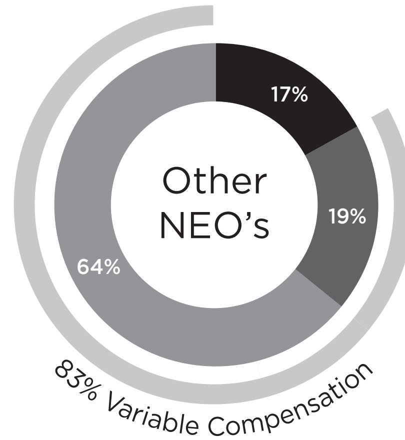
(1) EBIT before special items is a Non-GAAP financial measure. Refer to the Non-GAAP financial measures section for a definition of this metric. Also refer to the Reconciliation of EBIT before special items to EBIT under GAAP table in the Non-GAAP financial measures section for a reconciliation to the most comparable IFRS measure.

(2) When used for performance measures for short- and long-term incentive plans, FCF means (i) for Bombardier Inc., cash flows from operating activities less net additions to property, plant and equipment and intangible assets, and (ii) for business segments, cash flows from operating activities less net additions to property, plant and equipment and intangible assets, excluding cash paid and received for interest and income taxes, as per the consolidated statements of cash flows. FCF is a Non-GAAP financial measure. Refer to the Reconciliation of Cash flows from operating activities to Free cash flow (usage) table in the Non-GAAP financial measures section for a reconciliation to the most comparable IFRS measure.

PAY FOR PERFORMANCE

To reward the executive team for achieving milestones in our Turnaround Plan, a significant portion of each executive's pay is linked to meeting EBIT before special items and FCF targets aligned with the short- and long-term goals of the Corporation. The following charts show that over 80% of 2018 target total direct compensation is at risk for the President and Chief Executive Officer and for the other NEOs of the Corporation (on average).





POSITIONED FOR SUCCESS

Under Alain Bellemare's leadership, Bombardier is making consistent progress executing its Turnaround Plan. The operational transformation is in full motion, growth programs and initiatives are on track, the Corporation has transitioned from a multi-year heavy investment cycle to a strong growth cycle supported by solid backlogs, and the proactive and strategic actions the Corporation has taken demonstrate the team's ability to perform through adversity and in challenging markets.

As we progress through the second half of the Turnaround Plan, we have established a strong foundation for future growth and have a clear path forward to achieving our 2020 goals and fully unlocking the value of the Bombardier portfolio.

EXECUTIVE PAY PROGRAM

NAMED EXECUTIVE OFFICERS

This Compensation Discussion and Analysis describes the 2018 compensation of Bombardier's named executive officers ("NEOs"), who are:

Name	Position	Date of Hire
Alain Bellemare	President and Chief Executive Officer	February 13, 2015
John Di Bert	Senior Vice President and Chief Financial Officer	August 10, 2015
David Coleal	President, Business Aircraft	June 1, 2015
Frederick (Fred) Cromer	President, Commercial Aircraft	April 9, 2015
Laurent Troger	President, Transportation(1)	November 1, 2004

(1) Laurent Troger was appointed as President, Transportation on December 9, 2015 and stepped down from his position on February 7, 2019.

COMPENSATION OBJECTIVES

Bombardier's executive compensation program is designed to support the Corporation's Turnaround Plan in the short term and to increase shareholder value over the long term by:

- attracting and retaining high-performing executives in the global labour market of the aerospace and transportation industries through compensation that is both market competitive and tailored to a company in a turnaround situation;
- motivating and rewarding executives for meeting and exceeding financial and operational goals that support the Turnaround Plan and drive shareholder value; and
- considering each executive's individual performance in contributing to the key Turnaround Plan milestones of de-risking the business, building earnings and cash flow, deleveraging the balance sheet, and maximizing the overall long-term performance of the Corporation.

COMPENSATION ELEMENTS OVERVIEW

The table below shows the key elements of compensation, their respective form and, where applicable, the performance period:

2018 COMPENSATION ELEMENTS				
			Long-Term Incentives	
	Base Salary	Short-Term Incentives	PSUs	Stock Options
Term	1 year	1 year	3 years	7 years
Purpose	Provide fixed level of compensation based on market benchmarking results	Reward individual performance, core competencies and behaviours based on achievement and surpassing of key financial performance measures	Reward creation of longer-term shareholder value and achieving specific performance objectives	Further link the interests of executives to those of shareholders by rewarding executives for creating shareholder value
Criteria	Individual performance, responsibilities, experience, skills, and overall potential to influence the future success of Bombardier	Individual performance, core competencies and behaviours in light of achievement of financial key performance measures (EBIT before special items and FCF)	EBIT before special items and FCF	Value only if the price of Class B subordinate voting shares increases above the option's exercise price
Payment / Vesting	Paid during 2018	Paid in 2019 based on performance achieved in 2018	Paid in 2021, only if performance goals are achieved	Exercisable in 2021 or later (vest after three years)
Policy Alignment with Peer Groups	Targeting median base salary offered in the applicable Peer Group, while allowing for compensation above the median to recognize an executive's exceptional and sustained contribution to the Corporation's success	Targeting median short-term incentives of the applicable Peer Group when performance objectives are met as adjusted based on individual performance, or above the median to recognize exceptional performance	Targeting median total compensation of the applicable Peer Group when performance objectives are met, or above the median to recognize exceptional performance	Targeting median total compensation of the applicable Peer Group when share price increases

SAY ON PAY

As a best practice, Bombardier voluntarily adopted a say-on-pay policy in 2011 that gives shareholders an annual vote on the executive compensation program as disclosed in the annual proxy circular. At the 2018 Annual General Meeting, 98% of votes cast on the annual advisory vote were in favour of the executive compensation program.

These results demonstrate strong shareholder support for our pay program. In addition, in 2018, members of our management team engaged shareholders and their representatives to better understand their views about our compensation policies and practices, which included discussions with certain major institutional shareholders.

The Corporation and the HRCC appreciate the input from shareholders and consider the feedback in making compensation decisions.

COMMITTEE STRUCTURE

The structure of the various Committees of the Board of Directors facilitates assessment of the risks associated with compensation policies and practices. Overlapping memberships noted in the table below provide additional insight into, and in-depth understanding of, the Corporation's business risks and allow the HRCC to access the necessary information to consider the impact of business risks on compensation policies and practices.

HRCC MEMBER	HRCC	AUDIT	CGNC	FRMC	BOARD MEMBER SINCE
August W. Henningsen Independent director	M			C-C	April 29, 2016
Pierre Marcouiller Independent director	M	M			May 11, 2017
Vikram Pandit Independent director	C		M		May 1, 2014
Carlos E. Represas Independent director	M		C		June 1, 2004

C=Chair
C-C=Co-Chair
M=Member

PAY POLICIES AND PRACTICES

The table below highlights Bombardier's pay and governance policies and best practices:

COMPENSATION AND GOVERNANCE POLICIES AND PRACTICES	
What We Do	**What We Don't Do**
– Link executive pay to company performance through our short- and long-term incentive plans, including PSUs – Balance among short- and long-term incentives, cash and equity and fixed and variable pay – Target executive compensation at the median of the relevant peer group companies – Set stock ownership guidelines for executives – Maintain a compensation clawback policy to recapture unearned incentive pay – Retain an independent compensation consultant for the HRCC – Look for best global talent – Ensure that no aspect of the pay policies or practices poses material adverse risk to the Corporation – Provide shareholders an annual Say-on-Pay vote	– No change-in-control provisions – No hedging by executives or directors of equity holdings – No repricing of underwater stock options

The Board of Directors or HRCC, as applicable, sets short-term and long-term incentives' key performance measures and targets with the objective of offering payout opportunities that align with Bombardier as a whole, its business segments and individual executive performance. The Board of Directors and HRCC retain the authority, in their sole discretion, to make adjustments to key performance measures and targets, and the measurement of results, if it is determined that performance relative to pre-established targets does not fully reflect the overall quality of the performance year or if there are material, unforeseen business conditions, circumstances, and events beyond management's control that have an effect on financial performance relative to the established targets or certain non-recurring charges or credits unrelated to measured performance.

PEER GROUP BENCHMARKING

Each NEO's total direct compensation is targeted at the median (50th percentile) of the relevant market for similar roles at comparable companies. An increased pay opportunity is available for superior performance. In addition, internal factors such as the scope of the role, experience, and performance of the executive are considered in setting compensation.

FACTORS CONSIDERED IN SELECTING PEER GROUPS	
– Industry	– Complexity of operations
– Size based on annual revenues	– Number of employees
– Ownership structure (public or private)	– Competitors for talent
– Country of head office or a major subsidiary	– Global scope of operations

The peer groups were approved by the HRCC with advice from its independent consultant. Bombardier's peer groups include companies outside Canada to more accurately reflect the following attributes of the Corporation's business:

ATTRIBUTES OF THE CORPORATION'S BUSINESS		
Complex Business Model	**Global Competition in Aerospace and Transportation Industries**	**Global Competition for Key Executive Talent**
– Multiple manufacturing sectors and geographic locations – Technical field/advanced technologies – Highly regulated industries	– Global customer base – Complex supply chains	– Limited talent pool with high labour mobility for executives

The HRCC believes that it is critical to look at a global peer group for Bombardier's executives, rather than a peer group of Canadian companies because of the lack of size and industry-appropriate peers (e.g., other aircraft and train manufacturers), the global market for talent (Bombardier's executive team includes many non-Canadians), and Bombardier's global operational structure (multiple international manufacturing sites, complex supply chains).

PEER GROUPS

The peer group for Bombardier's North American executive positions is composed of global companies, including several in the aerospace and transportation manufacturing sectors (see table below):

COMPARATOR GROUP FOR NORTH AMERICAN BASED NEOS			
3M Company The Boeing Company Caterpillar Inc. Cummins Inc. Deere & Company Eaton Corporation Emerson Electric Co.	Ford Motor Company General Dynamics Corp. General Electric Company Honeywell International Inc. Illinois Tool Works Inc. ITT Corporation	Johnson Controls International plc L-3 Technologies Inc. Lockheed Martin Corp. Northrop Grumman Corp. Paccar Inc. Parker-Hannifin Corp.	Raytheon Company Rockwell Automation Inc. Rockwell Collins Inc.* Textron Inc. The Timken Company United Technologies Corp.

* United Technologies Corp. acquired Rockwell Collins Inc. in 2018.

The peer group for the President of Transportation, which is headquartered in Europe, focuses on European and global companies primarily in the rail equipment and transportation sectors, as well as other global companies with which Bombardier competes for talent (see table below):

COMPARATOR GROUP FOR EUROPEAN BASED NEO			
Airbus Alcatel-Lucent Alcoa BASF Bilfinger Berger BMW BorgWarner Continental Daimler Deere & Company	Demag-Cranes Deutsche Telekom Deutz Eaton Corp. Elring-Klinger Grammer Heidelberger Druckmaschinen Henkel KGaA Infineon	Kion Group Kuka Leoni Linde AG Man SE Merck Parker Hannifin Opel Rheinmetall	Robert Bosch Salzgitter Schaeffler Schneider Electric Siemens Terex ThyssenKrupp Tognum Volkswagen

Each of the peer groups for Bombardier's North American executive positions and European position is referred to as a Peer Group in this Circular.

COMPENSATION ELEMENTS

BASE SALARY

Each NEO's base salary is targeted at the market median based on benchmarking results for positions of similar responsibility at the applicable Peer Group. Salaries may be adjusted to reflect the NEO's responsibilities, experience, skills, and overall potential to influence the future success of Bombardier. Salary increases are based on a review of individual performance, including key leadership competencies, quality of management, and business segment results.

Salary rates for the financial year ended December 31, 2018 in local currency remained at December 31, 2017 levels for all NEOs.

SHORT-TERM INCENTIVE PLAN

The NEOs participate in a Short-Term Incentive ("STI") plan designed for each business segment and Bombardier Inc. The plan is designed to motivate them to achieve and surpass the key performance goals approved by the Board of Directors and to provide outstanding individual performance and contribution.

For each business segment, short-term incentive target levels are established based on market benchmarks, expressed as a percentage of base salary for each NEO. The Board of Directors or HRCC, as applicable, sets key performance measures and targets with the objective of offering payout opportunities that align with the performance of Bombardier as a whole, that of its business segments, and individual executive performance. Following the end of the year, each NEO's target short-term incentive is multiplied by the percentage of achievement of the applicable financial performance measures, and individual payouts are ultimately adjusted based on a discretionary assessment of individual performance as it relates to the applicable business segment and corporate goals.

The minimum threshold level of achievement of pre-established key financial performance measures under the STI plan is 75%. If a key financial performance measure is not met at a level of at least 75%, the payout for that performance measure is zero, and if a financial performance measure is met at target, the payout for that performance measure will be 100%. The maximum payout for superior performance is 200% of target. The performance factors are interpolated between levels.

The HRCC approved the key performance measures listed below, their respective quantitative targets for the STI plan for the financial year ended December 31, 2018, and the relative weighting for each business segment.

KEY PERFORMANCE MEASURE	WEIGHTING	BOMBARDIER INC.	BUSINESS SEGMENTS
EBIT before special items	50%	100% Bombardier Inc.	100% Applicable business segment
FCF	50%	100% Bombardier Inc.	100% Applicable business segment

The graphic below illustrates the process of determining individual payouts.

SALARY **X** TARGET BONUS **X** FINANCIAL RESULT **X** INDIVIDUAL PERFORMANCE **→** INDIVIDUAL PAYOUT

The financial results factor used for purposes of the formula is the combined percentage of achievement of the key performance measures, with a relative weighting of 50% for each of EBIT before special items and FCF.

The table below sets forth the target and actual Bombardier Inc. performance for the financial year ended December 31, 2018, against the pre-established EBIT before special items and FCF targets used in the process of determining individual payouts:

BOMBARDIER INC. PERFORMANCE AGAINST TARGETS							
KEY PERFORMANCE MEASURE	TARGET ($million)	ACTUAL ($million)	ACHIEVEMENT	WEIGHTING	FINANCIAL RESULTS FACTOR	ADJUSTED ACHIEVEMENT*	ADJUSTED FINANCIAL RESULTS FACTOR*
EBIT before special items	850	1,029	200%	50%	169%	200% (no adjustment)	100%
FCF	0	182	137%	50%		0%	

The performance factors are not linear. They are designed to provide incentives to exceed pre-established targets.

* Strict application of Bombardier's financial results for the year ended December 31, 2018, for the purposes of determining the STI incentive payout, yields a financial results factor of 169%. In light of the fact that the proceeds from the sale non-core assets were included in FCF for the financial year ended December 31, 2018, the HRCC has decided, after a proposal made by management, to reduce the FCF achievement percentage to 0%, resulting in an adjusted financial results factor of 100%. The achievement percentage for EBIT before special items was not adjusted.

Business segment financial result factors ranged from 0% to 153%. Actual business segment targets and results are not disclosed because they contain highly sensitive commercial data, as well as key strategic information. Public disclosure would give competitors information about levels of earnings and cash flow of our business segments and would seriously prejudice Bombardier's interests and weaken its ability to compete in its industries.

Past performance with respect to these targets indicates that the incentive plan goals have been challenging since actual results have been below target several times in recent years. Performance targets are set at a challenging and ambitious level and are attainable with significant management effort and disciplined execution provided that the operating plans are substantially complied with and achieved by management. STI payouts in the past five years as a percentage of target payouts show how Bombardier Inc.'s STI plan has performed with respect to similar goals in the past (with STI payouts in 2014, 2015, 2016, 2017 and 2018 having been 42%, 56%, 98%, 134% and 169% of target, respectively). With respect to 2018, a strict application of Bombardier's financial results for the year ended December 31, 2018, for the purposes of determining the STI payout, yields a financial results factor of 169%. In light of the fact that the proceeds from the sale of non-core assets were included in FCF for the financial year ended December 31, 2018, the HRCC has decided, after a proposal made by management, to reduce the FCF achievement percentage to 0%, resulting in an adjusted financial results factor of 100%. The achievement percentage for EBIT before special items was not adjusted.

Once the year is completed, the HRCC and Board of Directors assess the individual performance of the President and Chief Executive Officer. In addition, the President and Chief Executive Officer assesses the individual performance of the other NEOs and recommends the individual performance factors to the Board of Directors and HRCC for review and approval. Taking into account all the information provided, including the recommendations of the President and Chief Executive Officer, the HRCC makes an informed judgment and recommends for Board of Directors approval the individual performance factor for each of the NEOs.

For the financial year ended December 31, 2018, individual performance was assessed based on each NEO's contribution to the advancement and execution of the Turnaround Plan, which is management's core focus at the present time.

In 2018, the Bombardier leadership team delivered solid financial results that significantly advanced our Turnaround Plan. We completed 2018 with our operational and structural transformation in full motion across all our business segments. The table below summarizes the individual achievements of each NEO considered by the Board of Directors and HRCC in their discretionary assessment of individual performance in 2018:

NEO	INDIVIDUAL ACHIEVEMENTS

Alain Bellemare
President and Chief Executive Officer
	Alain Bellemare is leading the transformation of the world's leading manufacturer of both planes and trains, and led the executive team in its solid execution of the Turnaround Plan in 2018. He demonstrated leadership and significantly advanced the evolution of Bombardier's strategy and execution of the Turnaround Plan through the following achievements:
	– Provided leadership in ensuring a strategy of focused execution towards 2020 financial goals, pursuing transformation and continued productivity actions while ensuring its alignment with key performance measures that provide a direct link with the operational goals underlying the Turnaround Plan.
	– Delivered solid financial results, meeting the revised consolidated guidance(1) for EBIT before special items(2) and reaching the top end of the revised consolidated guidance(3) for FCF(4).
	– Completed the year with strong backlogs and order momentum across business segments and a clear plan to ramp-up Transportation projects and Aerospace programs.
	– Provided leadership in successfully executing the *Global 7500* certification and entry-into-service as well as successfully launching the new *Global 5500* and *Global 6500* aircraft.
	– Provided leadership in concluding the strategic C Series Partnership with Airbus, which closed on July 1, 2018, bringing together two complementary product lines, and the benefit of Airbus' global reach creating significant value potential for the newly rebranded A220. Customer response to the partnership has been overwhelmingly positive.
	– Provided leadership in concluding the sale of the Downsview, Ontario property for gross proceeds of approximately $635 million, representing net proceeds or approximately $600 million.
	– Provided leadership in entering into the following definitive agreements for proposed disposals of non-core assets(5):
	  – agreement for the sale of the *Q Series* Aircraft program assets and aftermarket operations, for expected gross proceeds of approximately $300 million, and expected net proceeds of approximately $250 million; and
	  – agreement for the sale of Business Aircraft's flight and technical training activities and to monetize royalties under an existing Authorized Training Provider agreement, for expected gross proceeds of $800 million. Both transactions are expected to increase cash by $650 million, of which $155 million related to the royalties was received in 2018.
	– Provided leadership in completing the acquisition of the *Global 7500* wing program from Triumph, subsequent to the fourth quarter of the financial year ended on December 31, 2018.
	– Continued to drive innovative and sustainable practices within the business: named to Corporate Knights' 2018 Best 50 Corporate Citizens in Canada ranking, a benchmark indicator of sustainability, and to Corporate Knights' Global 100 Most Sustainable Corporations in the World Index, in which Bombardier was listed among the top 25 most sustainable corporations, the highest ranked Canadian company and the leading transportation corporation.

John Di Bert Senior Vice President and Chief Financial Officer	– Led the strengthening of the balance sheet including improved financial liquidity. – Delivered continued year-over-year EBIT before special items(6) growth of 42% from $725 million to over $1.0 billion, meeting our revised consolidated guidance(7), while EBIT grew by 235% to $1.0 billion. – Under Mr. Di Bert's direction, FCF(8) generation for 2018 was $182 million, including net proceeds from transactions, reaching the top end of our revised consolidated guidance(9), with fourth quarter FCF(10) generation reaching $1.0 billion, allowing Bombardier to finish the year in a strong cash position with $3.2 billion in cash and cash equivalents. Cash flows from operating activities amounted to $597 million for the full year, and to $1.3 billion in the fourth quarter. – Maintained a transparent dialogue with stakeholders and provided clear financial goals and metrics throughout the year and for 2019 and 2020. – Played a critical role in the accelerated closing of the strategic C Series Partnership with Airbus. – Spearheaded the successful completion of a public offering of Class B subordinate voting shares resulting in gross proceeds of approximately CDN $638 million (then approximately $500 million), the net proceeds of which were used to supplement Bombardier's working capital and for general corporate purposes, consistent with the Corporation's continued proactive approach to capital management.

(1) Refer to Bombardier's Second Quarterly Report for the period ended June 30, 2018 and its Third Quarterly Report for the period ended September 30, 2018 for further details regarding updated 2018 guidance.
(2) EBIT before special items is a Non-GAAP financial measure. Refer to the Non-GAAP financial measures section for a definition of this metric. Also refer to the Reconciliation of EBIT before special items to EBIT under GAAP table in the Non-GAAP financial measures section for a reconciliation to the most comparable IFRS measure.
(3) See footnote 1 above.
(4) Free cash flow (usage) is a Non-GAAP financial measure. Refer to the Non-GAAP financial measures section for a definition of this metric. Also refer to the Reconciliation of Cash flows from operating activities to Free cash flow (usage) table in the Non-GAAP financial measures section for a reconciliation to the most comparable IFRS measure.
(5) These transactions remain subject to regulatory approvals and closing conditions usual in these types of transactions. There are no guarantees that the transactions will be completed and that the conditions to which they are subject will be met. Completion of the sale of Business Aircraft's flight and technical training activities is currently expected for the end of the first quarter of 2019, and completion of the sale of the *Q Series* aircraft program is currently expected for the second half of 2019.
(6) See footnote 2 above.
(7) See footnote 1 above.
(8) See footnote 4 above.
(9) See footnote 1 above.
(10) See footnote 4 above.

NEO	INDIVIDUAL ACHIEVEMENTS
David Coleal President, Business Aircraft	– Successfully executed the *Global 7500* (formerly known as the *Global 7000*) development and certification program. – Successfully achieved a historical milestone in December 2018 with the on plan service entry of the *Global 7500* aircraft, which already has a full order book until 2021 and is expected to be Business Aircraft's key growth driver for years to come with its strong backlog and performance.(11) – Successfully launched the *Global 5500* and *Global 6500* aircraft. Flight testing is at advanced stages and the program is on schedule for expected entry-into-service at the end of 2019.(12) – Successfully achieved industry leading deliveries of 137 aircraft, including 42 *Global*, 83 *Challenger* and 12 *Learjet*, in line with revised guidance. – Provided, at the business segment level, leadership in concluding a definitive agreement for the sale(13) of Business Aircraft's flight and training activities and to monetize royalties under an existing Authorized Training Provider agreement, for expected gross proceeds of $800 million. Both transactions are expected to increase cash by $650 million, of which $155 million related to the royalties was received in 2018. – Provided leadership for financial performance in line with revised guidance. Reached revenues of approximately $5.0 billion with EBIT margin before special items(14) of 8.4% and EBIT margin of 8.6%. – Provided leadership in ensuring a strategy of continued operating discipline, and stronger contribution from the aftermarket business, benefiting the expansion of our service network. In line with the aftermarket growth strategy, revenues from these activities grew by 14.3% in 2018. – Demonstrated continued focus on driving financial performance in any market, by maintaining EBIT before special items(15) at $420 million (and growing EBIT by 9% over the past year, from $394 million to $430 million) as we drove operations to align with market demand.
Fred Cromer President, Commercial Aircraft	– Provided, at the business segment level, leadership in concluding the strategic partnership with Airbus, which closed on July 1, 2018, bringing together two complementary product lines, and the benefit of Airbus' global reach creating significant value potential for the newly rebranded A220. Customer response to the partnership has been overwhelmingly positive. – Led the successful delivery of 35(16) aircraft during the year, in line with revised guidance. – Provided, at the business segment level, leadership in entering into a definitive agreement for the sale(17) of the *Q Series* Aircraft program assets and aftermarket operations, for gross proceeds of approximately $300 million and expected net proceeds of approximately $250 million. – Completed the year with a book-to-bill ratio(18) of 1.3. – Revenues reached approximately $1.8 billion(19), in line with revised guidance, while the EBIT loss before special items(20) of $157 million exceeded revised guidance (EBIT loss of $755 million includes a $616 million pre-tax accounting charge related to the closing of the CSALP transaction). – Provided leadership in ensuring that Commercial Aircraft continued to actively participate in the regional aircraft market with the *CRJ* aircraft family, including with the introduction of the *CRJ550* platform.

(11) Forward-looking statement. See the forward-looking statements assumptions on which the guidance is based and forward-looking statements disclaimer in the section "Forward-Looking Statements" above.

(12) Forward-looking statement. See the forward-looking statements assumptions on which the guidance is based and forward-looking statements disclaimer in the section "Forward-Looking Statements" above. The *Global 5500*, *Global 6500*, *Global 8000* and *CRJ550* aircraft are currently under development, and as such are subject to changes in family strategy, branding, capacity, performance, design and/or systems. All specifications and data are approximate, may change without notice and are subject to certain operating rules, assumptions and other conditions. This document does not constitute an offer, commitment, representation, guarantee or warranty of any kind.

(13) The transaction remains subject to regulatory approvals and conditions usual in this type of transaction. There are no guarantees that the transaction will be completed and that the conditions to which it is subject would be met. Completion of the transaction is currently expected for the first quarter of 2019.

(14) EBIT margin before special items is a Non-GAAP financial measure. Refer to the Non-GAAP financial measures section for a definition of this metric. Also refer to the Reconciliation of EBIT before special items to EBIT under GAAP table in the Non-GAAP financial measures section for a reconciliation to the most comparable IFRS measure.

(15) See footnote 2 above.

(16) Excluding 13 CS300 aircraft deliveries from the first six months of the fiscal year ended December 31, 2018 (3 CS100 and 14 CS300 aircraft deliveries from the fiscal year ended December 31, 2017).

(17) The transaction remains subject to regulatory approvals and conditions usual in this type of transaction. There are no guarantees that the transaction will be completed and that the conditions to which it is subject would be met. Completion of the transaction is currently expected for the second half of 2019.

(18) Ratio of new orders received over aircraft deliveries, in units, excluding C Series aircraft orders and deliveries.

(19) Including revenues from CSALP for the first six months of the fiscal year ended December 31, 2018 and for the fiscal year ended December 31, 2017.

(20) See footnote 2 above. Including share of net loss from CSALP for the six months since July 1, 2018 amounting to $40 million.

NEO	INDIVIDUAL ACHIEVEMENTS
Laurent Troger[21] President, Transportation	– Positioned the segment for further growth in both revenues and profitability to achieve 2019 and 2020 objectives. – Grew revenues by 4% year over year to $8.9 billion in 2018, while EBIT before special items[22] grew to $750 million for the year (EBIT of $774 million), representing an 8.4% margin, and EBIT margin increased by 350 bps to 8.7%. – Delivered backlog of $34.5 billion as of December 31, 2018, supported by a stronger mix of platform projects and increasing signalling and service contract orders. This order activity led to a book-to-bill[23] of 1.5 for the fourth quarter and an overall book-to-bill(24) of 1.1 for the full year. – Delivered record orders in 2018 totaling $9.9 billion, fueled by a $3.3 billion order intake in the fourth quarter due to project wins across geographies, with notable contract awards in Europe, Asia and North America. – Transportation's results in 2018 did not reach the minimum threshold level of achievement for EBIT before special items[25] and FCF[26], including with regards to the underlying CDPQ's investment in BT Holdco. Accordingly, effective as of and for the 12-month period starting on February 12, 2019, Bombardier's percentage of ownership on conversion of CDPQ's shares will decrease by 2.5%, returning to the original 70%; and the preference return entitlement rate on liquidation of its shares will increase from 7.5% to 9.5% for this period.

The following table illustrates the target short-term incentive payable to the NEOs under the STI plan and actual payouts earned for the financial year ended December 31, 2018. Target levels for all NEOs remained the same in 2018 as in 2017, and align with the market median of the applicable Peer Group to ensure a link between pay and performance. The target level for Alain Bellemare is aligned with similar positions in the applicable Peer Group.

NEO	TARGET(1)	ACTUAL INDIVIDUAL PAYOUT FACTOR AS A RESULT OF PERFORMANCE(1)
Alain Bellemare	160%	197%
John Di Bert	100%	188%
David Coleal	100%	153%
Fred Cromer	100%	100%
Laurent Troger	100%	0%

(1) Expressed in each case as a percentage of base salary and currency exchange rate offsets.

As a result of the exercise of discretion to adjust payouts based on individual performance, individual payouts result overall from a qualitative assessment of individual performance as a whole such that no percentage of the NEO's total compensation specifically relates to the undisclosed quantitative performance targets.

LONG-TERM INCENTIVE PLANS

Bombardier's PSU and stock option plans are designed to align executives' interests with shareholder value creation and, in the case of the PSU Plan, to focus on achieving financial results with a strong pay-for-performance emphasis, as well as to retain key talent. Bombardier currently focuses on a combination of PSUs and stock options as long-term incentives.

For the financial year ended December 31, 2018, the HRCC continued to provide 50% of the value of long-term incentive grants to the NEOs in the form of stock options and 50% in the form of PSUs to motivate executives to focus their long-term efforts on share price improvement as they work towards the solid execution of Bombardier's Turnaround Plan.

The HRCC believes that these incentive plans meet the executive compensation policy objectives because:

- they recognize and reward the impact of longer-term strategic actions taken by the executives;
- they promote executive retention since the grants vest over three years;
- the value of the grants depends on the future market value of the Class B subordinate voting shares;
- for PSUs, there is no dilutive effect on shareholders because they are delivered, upon vesting or settlement, in cash or Class B subordinate voting shares purchased in the secondary market; and
- 100% of long-term compensation is contingent on performance or increases in the market value of the Class B subordinate voting shares.

(21) Laurent Troger stepped down from his position as President, Transportation on February 7, 2019.
(22) See footnote 2 above.
(23) Defined as new orders over revenues.
(24) See footnote 23 above.
(25) See footnote 2 above.
(26) See footnote 4 above.

Grant determinations. The HRCC determines the size of long-term incentive grants to be awarded to the NEOs on an annual basis, and reports to the Board of Directors for approval or information, as applicable. Grants are determined by using a grant guideline for each management level within Bombardier based on Peer Group benchmark data, taking into account the executive's potential to contribute to the future success of Bombardier. The size of grants is a function of the current year's compensation objectives and, for that reason, grants made in previous years are generally not considered to determine the grant made to a NEO in any subsequent financial year.

Following the determination and approval by the Board of Directors and HRCC of the size of the 2017 long-term incentive grants to be awarded to the NEOs, the President and Chief Executive Officer, Mr. Bellemare, requested that the Board of Directors and HRCC reduce the size of his grant by $1.1 million (as compared to the value of the grant which he would have otherwise received), in order to offset the increase in his total 2017 compensation resulting from tax equalization payments as compared with his total compensation for 2016.

Stock option plan. The objective of the Stock Option Plan is to reward executives with an incentive to enhance shareholder value by providing them with a form of compensation that is tied to increases in the market value of the Class B subordinate voting shares. Please refer to "Appendix (Stock Options and 2010 Deferred Share Unit Plan (2010 DSUP))" for details on stock options and the Stock Option Plan.

Performance share units ("PSUs"). PSU grants are designed to motivate executives to exceed Bombardier's financial targets through the application of thresholds for payouts that are tied to specific financial targets set by the HRCC in alignment with the Turnaround Plan objectives.

2018 grants to NEOs. For 2018 grants, the financial performance targets were established to align plan participants with Bombardier's strategic Turnaround Plan. The HRCC has reviewed and approved the performance targets to ensure they are set at a challenging and ambitious level, taking into account prevailing economic conditions, and to ensure they are attainable with significant management effort and disciplined execution if the Turnaround Plan is successfully implemented. The HRCC will compare the actual results with the pre-established targets at the end of the performance period to determine the amount of the payout. The maximum payout on the PSUs granted in 2018 remains at 100% of target (the same target as for 2017 grants). If a key financial performance measure is not met at a level of at least 50%, the payout for that performance measure is zero. The performance factors are interpolated between levels.

For 2018 grants, the HRCC approved the following performance measures and their relative weightings:

BUSINESS SEGMENTS	KEY PERFORMANCE MEASURES
Bombardier Inc.	– Cumulative EBIT before special items from 2018 to 2020 (35% weighting) – EBIT margin before special items in 2020 (15% weighting) – Cash at 2020 financial year-end (35% weighting) – FCF in 2020 (15% weighting)
Business Aircraft Commercial Aircraft Transportation	– Cumulative EBIT before special items from 2018 to 2020 (35% weighting) – EBIT margin before special items in 2020 (15% weighting) – Cumulative FCF from 2018 to 2020 (35% weighting) – FCF in 2020 (15% weighting)

To ensure that Bombardier's executive team is aligned with the Turnaround Plan, performance targets include a significant weighting on overall corporate results, as follows:

PERFORMANCE TARGET WEIGHTINGS BY BUSINESS SEGMENT

NEOS	BOMBARDIER INC.	APPLICABLE BUSINESS SEGMENT
• Alain Bellemare • John Di Bert	100%	—
• David Coleal • Fred Cromer • Laurent Troger	60%	40%

2017 grants to NEOs. For 2017 grants to NEOs, the HRCC approved the following performance measures, with vesting percentages between 0% and 100%. The minimum threshold for a payment is 50% for a specific key performance measure.

BUSINESS SEGMENTS	KEY PERFORMANCE MEASURES
Bombardier Inc. Transportation	– Cumulative EBIT before special items from 2017 to 2019 (35% weighting) – EBIT margin before special items in 2019 (15% weighting) – Cash at 2019 financial year-end (35% weighting) – FCF in 2019 (15% weighting)
Business Aircraft Commercial Aircraft	– Cumulative EBIT before special items from 2017 to 2019 (35% weighting) – EBIT margin before special items in 2019 (15% weighting) – Cumulative FCF from 2017 to 2019 (35% weighting) – FCF in 2019 (15% weighting)

2016 grants to NEOs. For 2016 grants to NEOs, the HRCC approved the following performance measures, with vesting percentages between 0% and 150% (these performance measures have been adjusted to reflect the changes announced by Bombardier in April 2017 to ensure alignment with the Turnaround Plan). The minimum threshold for a payment is 50% for a specific key performance measure. 75% of the value of the grant is based on performance between 2016 and 2018 (the "2018 Performance Measures"), while the remaining 25% of the value of the grant is based on performance between 2016 and 2019 as per the tables below.

In addition, the total number of vested PSUs to be settled in respect of the grant shall be capped to the number of vested PSUs that would have been settled had vesting been based on 100% of the 2018 Performance Measures.

BUSINESS SEGMENTS	KEY PERFORMANCE MEASURES
Bombardier Inc. Transportation	– Cumulative EBIT before special items from 2016 to 2018 (35% weighting) – EBIT margin before special items in 2018 (15% weighting) – Cash at 2018 financial year-end (35% weighting) – FCF in 2018 (15% weighting)
Business Aircraft Commercial Aircraft	– Cumulative EBIT before special items from 2016 to 2018 (35% weighting) – EBIT margin before special items in 2018 (15% weighting) – Cumulative FCF from 2016 to 2018 (35% weighting) – FCF in 2018 (15% weighting)

BUSINESS SEGMENTS	KEY PERFORMANCE MEASURES
Bombardier Inc. Transportation	– Cumulative EBIT before special items from 2016 to 2019 (35% weighting) – EBIT margin before special items in 2019 (15% weighting) – Cash at 2019 financial year-end (35% weighting) – FCF in 2019 (15% weighting)
Business Aircraft Commercial Aircraft	– Cumulative EBIT before special items from 2016 to 2019 (35% weighting) – EBIT margin before special items in 2019 (15% weighting) – Cumulative FCF from 2016 to 2019 (35% weighting) – FCF in 2019 (15% weighting)

Long-term incentive performance targets are not disclosed because they contain highly sensitive commercial data, as well as key strategic information regarding Bombardier's Turnaround Plan. Public disclosure would seriously prejudice Bombardier's interests and weaken its ability to compete in its industries. Disclosure of long-term incentive performance targets could also potentially be interpreted inappropriately as market guidance. Past performance for Bombardier Inc. with respect to these targets indicates that the incentive plan goals have been challenging since actual results for NEOs have been below target and the applicable minimum threshold for grants from 2011 to 2014 with associated PSU payouts of 0%.

Following the end of each financial year, the HRCC approves the results of prior years' performance measures to authorize payouts in respect of PSUs reaching the vesting date during the year.

2015 grants to NEOs. No PSUs were awarded in 2015. Instead, time-vested RSUs were awarded at the start of the Turnaround Plan (please see "Restricted share units (RSUs)" below). As such, no PSU grants reached a vesting date in 2018.

Restricted share units ("RSUs"). RSUs were granted instead of PSUs during a 12-month period from August 2015 to promote executive retention while motivating executives to increase shareholder value, to support the Corporation's then recently launched Turnaround Plan. All previously outstanding RSUs vested on August 15, 2018 such that none remain outstanding.

Dividend equivalents. PSUs and RSUs confer the right to receive dividend equivalents to be paid in cash at the same rate as the cash dividends (if any) paid on Class B subordinate voting shares. Dividend equivalents, if any, are paid at the end of the three-year vesting period, and in the case of PSUs, in accordance with the applicable performance vesting conditions.

RETIREMENT BENEFITS AND PERQUISITES

Bombardier provides pension, benefits and perquisites at the market median of the applicable Peer Group. The NEOs, except Laurent Troger, participate in two defined contribution pension plans. Mr. Troger participates in a defined benefit pension plan for service up to December 31, 2013 and in a defined contribution pension plan for service after that date. All of these plans are non-contributory. More details about the executive pension plans are set out under "Pension Plans."

Benefit plans for executives cover accidental death and dismemberment insurance, business travel insurance, life insurance, long-term disability, medical services, and dental coverage. Bombardier offers the following limited perquisites:

- an amount allocated for the leasing, use, and maintenance of a company-provided car that depends on the level of responsibility of the executive; executives must pay any excess amount through payroll deductions;
- a complete annual medical check-up;
- financial counseling; and
- only for the President and Chief Executive Officer, the use of corporate aircraft for personal reasons.

The President and Chief Executive Officer did not use the Bombardier corporate aircraft for personal reasons in 2018.

OTHER BENEFITS

In 2018, tax equalization payments were made to Alain Bellemare, Fred Cromer and David Coleal to offset incremental taxes paid due to relocation to Canada in accordance with the Corporation's global mobility policy and industry practice. This assistance is designed primarily to maintain the employees' overall income tax burden at approximately the same level as it otherwise would have been, had they not relocated. The tax equalization payment for Alain Bellemare was intended to offset the impact of higher tax rates payable in connection with long-term incentives earned from his previous employer as a result of his relocation to Canada, compared to the applicable tax rate in the United States. Mr. Bellemare does not receive any tax equalization payment for income linked to Bombardier.

COMPENSATION GOVERNANCE

COMPENSATION RISK ASSESSMENT

The HRCC reviews and assesses the Corporation's compensation and incentive plans to ensure that they allow for appropriate business risks without encouraging excessive risk-taking behaviours. In 2018, the HRCC engaged Meridian as its independent advisor to review the risks associated with its compensation programs, and neither Meridian, nor the HRCC identified any risks that are reasonably likely to have a material adverse effect on the Corporation. Risk-mitigation factors include the following:

- balanced pay mix among fixed and variable pay and cash and equity;
- pay benchmarked to market data;
- incentives tied to multiple time periods (short-, mid-, and long-term) and a variety of performance objectives, including corporate and business segment;
- limited perquisites and no change-of-control benefits;
- clawback policy;
- anti-hedging policy;
- stock ownership guidelines;
- independent compensation consultant for the HRCC; and
- annual awards of equity-based incentives with overlapping vesting periods ensure that executives remain exposed to the risks of their long-term decision making.

STOCK OWNERSHIP GUIDELINES

Bombardier has adopted Stock Ownership Guidelines to link executives' interests with those of shareholders. Each NEO is required to build and hold a portfolio of shares and share units with a value equal to at least the applicable multiple of his base salary noted in the following table:

NEO	MULTIPLE OF SALARY
Alain Bellemare	5x
John Di Bert	3x
David Coleal	3x
Fred Cromer	3x
Laurent Troger	3x

The value of the portfolio is determined based on the greater of the value at the time of acquisition or the market value of the Bombardier shares held on December 31st of each calendar year. To assess the level of ownership, Bombardier includes the value of shares owned and outstanding vested in-the-money stock options. Since Bombardier shares are traded only in Canadian dollars, the actual base salary is used at par for executives paid in Canadian or US dollars. For executives paid in other currencies, the base salary at the mid-point of the Canadian salary scale for their equivalent position in Canada is used as the basis to determine their stock ownership target.

There is no prescribed period to reach the stock ownership target. However, executives are not allowed to sell shares acquired through the settlement of RSUs/PSUs or the exercise of stock options until they have reached their individual target, except to cover the cost of acquiring the shares and applicable taxes.

ANTI-HEDGING POLICY

Employees may not engage in hedging or monetization transactions or any form of derivative transactions relating to Bombardier securities, including "puts" and "calls," and may not sell Bombardier securities that they do not own (short sales).

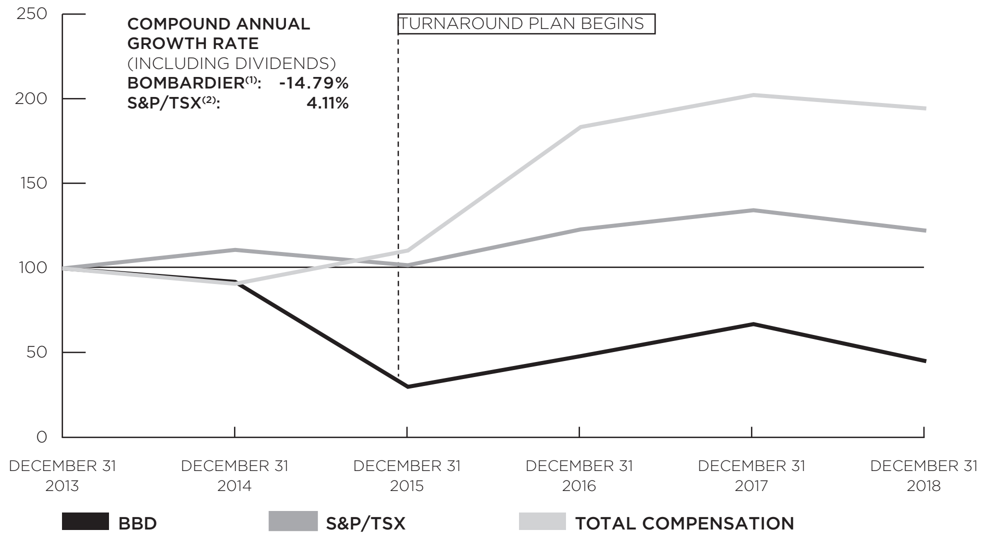
CLAWBACK POLICY

Under its Clawback Policy, Bombardier, at the discretion of the Board of Directors, can recover from the NEOs, as well as certain other executives, overpayments of incentive compensation in the event of fraud, dishonesty or misconduct that contributes to non-compliance which results in Bombardier's obligation to prepare an accounting restatement. Incentive awards that have been paid or vested may be recouped and unvested long-term incentive grants may be cancelled to the extent of any excess amount that was received in the circumstances reflected by the accounting restatement. Bombardier has not yet encountered a situation where a compensation recoupment or adjustment has been required in the circumstances described above.

PERFORMANCE GRAPH

The following performance graph shows Bombardier's cumulative TSR over its five most recently completed financial years, assuming an amount of $100 was invested on December 31, 2013 in Class B subordinate voting shares of Bombardier and in the S&P/TSX Composite Index, as well as the evolution of the total compensation earned by the NEOs over the same period.

PERFORMANCE OF THE CLASS B SUBORDINATE SHARE OF BOMBARDIER FROM DECEMBER 31, 2013 TO DECEMBER 31, 2018



(1) Return on Class B subordinate voting shares, including dividends reinvested.

(2) Return on S&P/TSX index, including dividends reinvested.

(Index: Closing Price December 31, 2013 = 100 and Total NEO Compensation for the fiscal year ended December 31, 2013 = 100) Total compensation for the NEO is based on the fiscal year prior to the closing stock price.

The performance graph above shows the following trends in total compensation and performance:

- TSR was relatively stable overall for 2014. Executive total compensation was also relatively stable, trending down slightly in 2014;
- for 2015, the graph shows a significant decrease in TSR and a slight increase in total compensation. This increase in total compensation in 2015 corresponds to a significant renewal of Bombardier's executive team, and an investment in the new management team responsible for delivering on Bombardier's turnaround strategy;
- for 2016, the graph shows an increase in TSR and a corresponding increase in total compensation;
- for 2017, the graph shows an increase in TSR and a lesser increase in total compensation; and
- for 2018, the graph shows a decrease in TSR and slight decrease in total compensation.

It is important to note that:

- NEOs are compensated on the basis of performance metrics that the Corporation considers to be fundamental and tied to long-term shareholder value creation, rather than on the basis of short-term performance of the Corporation's shares on the market. The HRCC believes EBIT before special items and FCF are the most appropriate performance measures for Bombardier's compensation policy at the present time as they provide a direct link with the operational goals underlying the Turnaround Plan, which are management's core focus.
- A substantial portion of NEO pay is at-risk. In addition to long-term incentive equity-based awards, short-term incentive payouts are made based on the successful performance of key financial objectives that are tied to the business plan for Bombardier Inc. and its business segments. These at-risk components for the NEOs in 2018 are over 80% of their respective total compensation.

- Moreover, a significant proportion of executive compensation is granted in the form of long-term equity-based incentives, which are calculated based on grant date fair values, despite the fact that actual values will be realized only to the extent that any applicable performance targets are met and the Corporation's share price increases. For instance, as shown in this Circular, actual results have been below target and/or minimum vesting threshold several times in recent years, in which cases actual gains were never realized. In the longer term, NEO compensation is directly affected by the Corporation's share price performance. Stock option, DSU, RSU and PSU awards directly correlate to the share price and are therefore aligned with shareholder returns.
- Although the graph compares Bombardier's TSR performance to that of market indices, management believes five-year TSR is not a meaningful measure for a company in the midst of a major multi-year Turnaround Plan and with a new management team that has been in place only since 2015.
- Stock price performance is affected by various factors and trends, many of which are unrelated to Bombardier's financial and operational performance, such as oil price movements, macroeconomic growth rates, and geopolitical developments, as well as the factors listed below under "Forward-looking Statements".

Notes on calculation

For purposes of calculating total compensation earned by NEOs, all compensation elements were annualized, where applicable, and any sign-on cash payments, sign-on long-term incentive grants, and one-time payments made to cover costs of relocation were excluded.

SUMMARY COMPENSATION TABLE

The Summary Compensation Table shows the annual compensation information for each of the NEOs of Bombardier for the three most recently-completed financial years.

Despite Bombardier's solid performance in 2018, total compensation of our five most senior executives decreased by 4% in aggregate as compared with total compensation in 2017.

					Non-equity Incentive Plan Compensation				
Name and Principal Position	Financial Year Ended December 31	Base Salary ($)	Share Based Awards (PSUs or DSUs) ($)	Option-Based Awards[1] ($)	Annual Incentive Plan[2] ($)	Long term Incentive Plan ($)	Pension Value[3] ($)	All Other Compensation[4] ($)	Total Compensation ($)
Alain Bellemare President and Chief Executive Officer	2018	1,116,800	2,778,900[5]	2,778,900[5]	2,828,900	—	20,500	1,106,900	10,630,900
	2017	1,113,400	2,074,200[6]	2,074,200[6]	3,155,000	—	20,200	2,193,900	10,630,900
	2016	1,042,200	2,618,800[7]	2,618,800[7]	2,360,900	—	19,600	829,100	9,489,400
John Di Bert Senior Vice President and Chief Financial Officer	2018	618,300	1,291,600[5]	1,291,600[5]	1,159,400	—	20,500	120,900	4,502,300
	2017	591,100	1,305,600[6]	1,305,600[6]	1,155,800	—	20,200	113,800	4,492,100
	2016	503,500	1,158,800[7]	1,158,800[7]	900,000	—	19,600	269,300	4,010,000
David Coleal President, Business Aircraft	2018	636,900	1,291,600[5]	1,291,600[5]	1,249,700	—	20,500	851,800	5,342,100
	2017	634,900	1,305,600[6]	1,305,600[6]	1,292,200	—	20,200	767,100	5,325,600
	2016	616,000	1,158,800[7]	1,158,800[7]	900,000	—	19,600	788,200	4,641,400
Fred Cromer President, Commercial Aircraft	2018	597,100	1,291,600[5]	1,291,600[5]	765,800	—	20,500	1,476,300	5,442,900
	2017	595,200	1,305,600[6]	1,305,600[6]	900,000	—	20,200	1,046,000	5,172,600
	2016	577,500	1,158,800[7]	1,158,800[7]	900,000	—	19,600	728,300	4,543,000
Laurent Troger President, Transportation	2018	886,700	1,291,600[5]	1,291,600[5]	0	—	(78,200)	224,200	3,615,900
	2017	846,100	1,305,600[6]	1,305,600[6]	1,514,500	—	(52,800)	230,900	5,149,900
	2016	768,200	1,158,800[7]	1,158,800[7]	900,000	—	508,100	223,500	4,717,400

* All compensation amounts were paid in Canadian dollars to Alain Bellemare, John Di Bert, David Coleal and Fred Cromer, and in Euros to Laurent Troger. The base salary and annual incentive plan amounts were converted from Canadian dollars and Euros to US dollars based on the average exchange rates during the year, of (i) 0.7729 and 1.1822 respectively for the financial year ended December 31, 2018, (ii) 0.7705 and 1.1281 respectively for the financial year ended December 31, 2017, and (iii) 0.7549 and 1.1072 respectively for the financial year ended December 31, 2016. The exchange rates used for the share-based awards and option-based awards are provided below in the notes to this table, and for the pension value in the notes to the "Defined Benefit Plan" and "Defined Contribution Plans" tables.

(1) The Black-Scholes pricing model is used to calculate the fair value of the awards on the grant date, as it is the methodology also used for accounting purposes.

(2) Short-term incentives are paid in cash in the year following the financial year in which they are earned.

(3) Refer to the tables "Defined Benefit Plan" and "Defined Contribution Plans" of this Circular and to previous years' circulars for the two previous years.

(4) The table below sets forth the amounts attributable to each of the compensation items included in "All Other Compensation" for each NEO in 2018. For all NEOs in respect of the financial year ended December 31, 2018, the amounts shown exclude the value of perquisites because they are less than CDN $50,000 or 10% of total salary.

All other compensation

The following table sets forth the amounts attributable to each of the compensation items included in "All Other Compensation" for each NEO in 2018:

Executive	Currency Exchange Rate Offsets[(a)] ($)	Supplemental DC Plan/Savings Account[(b)] ($)	Relocation Costs and Tax Equalization Payments[(c)] ($)	Lump Sum Cash Payment ($)	Other Employee Benefits[(d)] ($)	Total ($)
Alain Bellemare	332,200	333,600	369,700[(e)]	—	71,400	1,106,900
John Di Bert	—	99,900	—	—	21,000	120,900
David Coleal	189,500	141,300	477,600	—	43,400	851,800
Fred Cromer	177,600	131,200	280,300	837,300[(f)]	49,900	1,476,300
Laurent Troger	—	221,700	—	—	2,500	224,200

(a) This represents amounts specifically intended to offset the impact of the decrease in the Canadian dollar versus the US dollar on base salary and related pension contributions for the financial year ended December 31, 2018 based on an average exchange rate from Canadian dollars to US dollars of 0.7729, considering that US-based executives typically assume significant currency risk due to ongoing USD-denominated expenses.

(b) The contributions to the Supplemental DC Plan based on base salary have been made on December 13, 2018 for Alain Bellemare and John Di Bert and December 14, 2018 for David Coleal and Fred Cromer, respectively, at an exchange rate from Canadian dollars to US dollars of 0.7486 and 0.7474, respectively. The contributions to the Supplemental DC Plan based on the currency exchange rate offsets have been made on a bi-weekly basis for Alain Bellemare and on a monthly basis for David Coleal and Fred Cromer, and converted at an average exchange rate of 0.7729. The contributions to Mr. Troger's retirement savings account have been made on a quarterly basis and converted at an average exchange rate of 1.1822.

(c) As per the global mobility policy, relocation costs include temporary accommodation expenses, tax equalization payments, commuter allowances and tax financial expenses including preparation of income tax returns. The relocation costs represent the difference between the aggregate incremental costs to Bombardier in comparison to the costs which would have otherwise been covered pursuant to the global mobility policy generally offered to salaried employees of Bombardier. All amounts were converted from Canadian dollars to US dollars based on the average exchange rate during the year of 0.7729.

(d) This represents the aggregate costs to Bombardier for post-retirement benefits and the estimated costs to Bombardier for the premium paid for group insurance in excess of that generally available to salaried employees.

(e) This amount includes a tax equalization payment intended to offset the impact of higher tax rates payable in connection with Mr. Bellemare's exercise of Stock Appreciation Rights (SARs) from his previous employer as a result of his relocation to Canada, from the tax rate which would otherwise have been payable had he stayed in the United States. Mr. Bellemare does not receive any tax equalization payment for income linked to Bombardier. The amount has been converted from Canadian dollars to US dollars based on an exchange rate of 0.7868.

(f) This represents a special incentive compensation of CDN $1,100,000 that was awarded to Mr. Cromer to encourage his engagement and ensure a successful C Series Aircraft Limited Partnership transaction. The amount has been converted from Canadian dollars to US dollars based on an exchange rate of 0.7612.

(5) The estimated fair value of PSUs granted on May 10, 2018 was determined by applying a performance factor of 0.65 to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date, which was CDN $4.13, and an exchange rate from Canadian dollars to US dollars of 0.7828. As disclosed in this Circular, the 2018 PSU grant is performance based and the actual payout value could be anywhere from 0% to 100% of target. The use of a performance factor of 0.65 was determined in consultation with Mercer, management's external compensation consultant, to recognize the payout probabilities associated with the performance vesting conditions of those PSUs. The payout factor used is consistent with actual payouts of similar performance-based plans on the market, and is based on a review of the Corporation's previous performance vesting results, the current PSU performance objectives, the external competitive environment, and investment analyst perspectives. The accounting value of the PSUs granted on May 10, 2018 was $4,275,300 for Alain Bellemare and $1,987,100 for the other NEOs, based on an accounting performance factor of 1. The difference between the accounting value and the estimated fair value of the PSUs granted on May 10, 2018 as presented in this table is $1,496,400 for Alain Bellemare and $695,500 for the other NEOs. The difference between the accounting value and the grant date fair value of the share units as presented in this column is due to the performance factor of 1 applied for accounting purposes versus the performance factor of 0.65 applied for purposes of determining the grant date fair value.

The estimated fair value of stock options granted on May 10, 2018 was determined by applying a Black-Scholes factor of 0.359 to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date, which was CDN $4.13, and an exchange rate from Canadian dollars to US dollars of 0.7828. The accounting value of the options granted on May 10, 2018 was $3,630,400 for Alain Bellemare and $1,687,400 for the other NEOs. The difference between the accounting value and the estimated fair value of the options granted on May 10, 2018 as presented in this table is $851,500 for Alain Bellemare and $395,800 for the other NEOs. The estimated fair value is based on a Black-Scholes calculation that reflects Bombardier's expected future volatility. The difference between the accounting value and the grant date fair value of the options is due to the use of different underlying assumptions. The underlying assumptions used to determine the accounting value are as follows: risk free rate of 2.20%, dividend yield of 0%, share price volatility of 51.81%, expected term of 5 years and Black-Scholes factors of 46.90%. The underlying assumptions used to determine the estimated fair value are as follows: risk free rate of 1.96%, dividend yield of 0%, share price volatility of 37.60%, expected term of 5 years and Black-Scholes factors of 35.90%.

(6) The estimated fair value of PSUs granted on August 4, 2017 was determined by applying a performance factor of 0.65 to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date, which was CDN $2.56, and an exchange rate from Canadian dollars to US dollars of 0.7913. As disclosed in this Circular, the 2017 PSU grant is performance based and the actual payout value could be anywhere from 0% to 100% of target. The use of a performance factor of 0.65 was determined in consultation with Mercer, management's external compensation consultant, to recognize the payout probabilities associated with the performance vesting conditions of those PSUs. The payout factor used is consistent with actual payouts of similar performance-based plans on the market, and is based on a review of the Corporation's previous performance vesting results, the current PSU performance objectives, the external competitive environment, and investment analyst perspectives. The accounting value of the PSUs granted on August 4, 2017 was $2,393,300 for Alain Bellemare and $1,506,500 for the other NEOs, based on an accounting performance factor of 0.75. The difference between the accounting value and the estimated fair value of the PSUs granted on August 4, 2017 as presented in this table is $319,100 for Alain Bellemare and $200,900 for the other NEOs. The difference between the accounting value and the grant date fair value of the share units as presented in this column is due to the performance factor of 0.75 applied for accounting purposes versus the performance factor of 0.65 applied for purposes of determining the grant date fair value.

The estimated fair value of stock options granted on August 4, 2017 was determined by applying a Black-Scholes factor of 0.338 to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date, which was CDN $2.56, and an exchange rate from Canadian dollars to US dollars of 0.7913. The accounting value of the options granted on August 4, 2017 was $2,755,300 for Alain Bellemare and $1,734,400 for the other NEOs. The difference between the accounting value and the estimated fair value of the options granted on August 4, 2017 as presented in this table is $681,100 for Alain Bellemare and $428,800 for the other NEOs. The estimated fair value is based on a Black-Scholes calculation that reflects Bombardier's expected future volatility. The difference between the accounting value and the grant date fair value of the options is due to the use of different underlying assumptions. The underlying assumptions used to determine the accounting value are as follows: risk free rate of 1.51%, dividend yield of 0%, share price volatility of 50.43%, expected term of 5 years and Black-Scholes factors of 44.90%. The underlying assumptions used to determine the estimated fair value are as follows: risk free rate of 1.00%, dividend yield of 0%, share price volatility of 36.90%, expected term of 5 years and Black-Scholes factors of 33.80%.

(7) Reflects the estimated fair value of PSUs and stock options granted on August 12, 2016, on which date the closing price of the Class B subordinate voting shares was CDN $1.97 and the exchange rate from Canadian dollars to US dollars was 0.7725. For the stock options, a Black-Scholes value of 0.4257 was used. For the financial year ended December 31, 2016, the fair value of the awards on the grant date was the same as the accounting value determined in accordance with IFRS 2 Share-based Payment.

The following table shows the assumptions used to determine the Black-Scholes values for stock options granted during the financial year ended December 31, 2016.

ASSUMPTION	2016	
	February 24	August 12
Risk-free interest rate	0.60%	0.57%
Dividend yield	0%	0%
Share price volatility	44.49%	49.16%
Expected term	5 years	5 years

The estimated fair values of equity-based incentives (share-based awards and option-based awards) shown in the Summary Compensation Table above were calculated as of the applicable time of grant, and accordingly these values do not reflect the actual value of compensation received, if any, upon vesting or exercise, as applicable. Values can vary significantly from year to year based on fluctuations in share price, corporate performance and the timing of vesting or exercise, as applicable. Aggressive performance targets in combination with difficult market conditions resulted in significant variability in long-term incentive awards in recent years, which had a significant impact on payouts. At any time after the grant date, stock options may be well out-of-the money and units may vest at 0% or have little to no value. Accordingly, caution should be exercised when reviewing the estimated grant date fair values and total compensation reported in the Summary Compensation Table.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

Option-Based Awards						Share Based Awards		
NEO	Grant Date	Number of Securities Underlying Unexercised Options at Financial Year-End(1)	Option Exercise Price(2) ($)	Option Expiration Date(3)	Value of Unexercised in-the money Options at Financial Year End(4) ($)	Number of Share Based Awards (PSUs) that Have Not Vested at the End of the Financial Year	Market Value of Share Based Awards (PSUs) that Have Not Vested at the End of the Financial Year(5)(6) ($)	Market Value of Vested Share Based Awards (PSUs) not Paid Out or Distributed ($)
Alain Bellemare	February 20, 2015	1,846,836	1.92	February 20, 2022	—	—	—	
	August 7, 2015	1,539,594	1.21	August 7, 2022	431,100	—	—	—
	August 12, 2016	4,041,970	1.45	August 12, 2023	161,700	1,720,812	2,563,000	
	August 4, 2017	3,029,308	1.88	August 4, 2024	—	1,575,240	2,346,200	
	May 10, 2018	2,394,330	3.03	May 10, 2025	—	1,322,407	1,969,600	
John Di Bert	August 10, 2015	3,862,858	1.17	August 10, 2022	1,236,100	—	—	
	August 12, 2016	1,788,482	1.45	August 12, 2023	71,500	761,422	1,134,100	—
	August 4, 2017	1,906,897	1.88	August 4, 2024	—	991,587	1,476,900	
	May 10, 2018	1,112,858	3.03	May 10, 2025	—	614,640	915,500	
David Coleal	August 7, 2015	774,769	1.21	August 7, 2022	216,900	—	—	
	August 12, 2016	1,788,482	1.45	August 12, 2023	71,500	761,422	1,134,100	—
	August 4, 2017	1,906,897	1.88	August 4, 2024	—	991,587	1,476,900	
	May 10, 2018	1,112,858	3.03	May 10, 2025	—	614,640	915,500	
Fred Cromer	May 14, 2015	947,188	1.86	May 14, 2022	—	—	—	
	August 12, 2016	1,788,482	1.45	August 12, 2023	71,500	761,422	1,134,100	
	August 4, 2017	1,906,897	1.88	August 4, 2024	—	991,587	1,476,900	—
	May 10, 2018	1,112,858	3.03	May 10, 2025	—	614,640	915,500	
Laurent Troger	August 9, 2013	98,190	3.58	August 9, 2020	—	—	—	
	November 6, 2014	172,533	2.77	November 6, 2021	—	—	—	
	August 7, 2015	95,671	1.21	August 7, 2022	26,800	—	—	—
	November 5, 2015	513,699	1.04	November 5, 2022	231,200	—	—	
	February 24, 2016	820,928	0.86	February 24, 2023	517,200	—	—	
	August 12, 2016	1,788,482	1.45	August 12, 2023	71,500	761,422	1,134,100	
	August 4, 2017	1,906,897	1.88	August 4, 2024	—	991,587	1,476,900	
	May 10, 2018	1,112,858	3.03	May 10, 2025	—	614,640	915,500	

(1) As of December 31, 2018, only stock options granted on August 9, 2013, November 6, 2014, February 20, 2015, May 14, 2015, August 7, 2015, August 10, 2015 and November 5, 2015 were vested.

(2) The exercise price of the stock options in this table is equal to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date. The exercise price was converted from Canadian dollars to US dollars based on an exchange rate of 0.7337 as of December 31, 2018.

(3) In accordance with the terms of the Stock Option Plan, (i) if the expiration date of an option falls during, or within 10 business days following the expiration of a Blackout period, such expiration date shall automatically be extended for a period of 10 business days following the end of the Blackout period, (ii) upon retirement, vested stock options must be exercised within three years from the retirement date and at the end of this period, all stock options are cancelled.

(4) The value of unexercised in-the-money options as of December 31, 2018 is the difference between the closing price of the underlying shares as of that date and the exercise price, based on the closing price of the Class B subordinate voting shares of CDN $2.03 and an exchange rate from Canadian dollars to US dollars of 0.7337 as of December 31, 2018. These options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the Class B subordinate voting shares on the date of exercise.

(5) Based on the closing price of the Class B subordinate voting shares on December 31, 2018 of CDN $2.03, assuming 100% of target of plan reached, and converted from Canadian dollars to US dollars based on an exchange rate of 0.7337 as of December 31, 2018.

(6) The vesting of all PSUs grants is conditional on the attainment of the applicable performance objectives. The PSUs may also vest at 0%. These estimates do not take into consideration possible future dividend payments.

INCENTIVE PLAN AWARDS — VALUE REALIZED ON EXERCISE AND VALUE VESTED OR EARNED

NEO	Option-Based Awards Value Realized on Exercise During the Year ($)	Option-Based Awards Value Vested During the Year[1] ($)	Share-Based Awards Value Vested During the Year[2] ($)	Non-Equity Incentive Plan Compensation Value Earned During the Year[3] ($)
Alain Bellemare	8,169,300	15,092,900	2,226,100	2,828,900
John Di Bert	1,166,300	10,347,300	1,880,600	1,159,400
David Coleal	7,704,800	10,735,700	1,024,000	1,249,700
Fred Cromer	5,713,500	7,608,600	1,024,000	765,800
Laurent Troger	1,391,900	2,436,500	965,900	0

(1) The value is determined assuming the stock options would have been exercised on the vesting date of each relevant grant, based on the difference between the closing price of the Class B subordinate voting shares as of that date and the exercise price, and an exchange rate from Canadian dollars to US dollars on the vesting date. Some of these options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the Class B subordinate voting shares on the date of exercise.

(2) The value is determined by multiplying the number of vested RSUs by the closing price of the Class B subordinate voting shares on August 6, 2018, the vesting date, of CDN $5.11 and an exchange rate from Canadian dollars to US dollars of 0.7702.

(3) The value is the amount of the short-term incentive plan payout for the financial year ended December 31, 2018 as disclosed in the "Summary Compensation Table" of this Circular.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER THE STOCK OPTION PLAN AND THE 2010 DSUP

Plan Category	(a) Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (CDN$)	(c) Number of Securities Remaining Available for further Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	Stock options[1]: 111,545,290 DSUs[2]: 585,262	2.52 N/A	Stock options: 50,405,184 DSUs: 22,623,089
Equity compensation plans not approved by security holders	—	—	—
Total	112,130,552	2.52	73,028,273

(1) Please refer to "Appendix (Stock Options and 2010 Deferred Share Unit Plan (2010 DSUP))".

(2) The number of Class B subordinate voting shares issuable pursuant to the 2010 DSUP includes dividend equivalents credited and reflects the applicable payout multipliers (from 0% to 150%) based on the level of achievement of performance measures determined upon vesting in accordance with the terms of the 2010 DSUP.

ANNUAL BURN RATES FOR THE THREE MOST RECENT FINANCIAL YEARS

The following table summarizes the number of stock options and DSUs (under the 2010 DSUP) granted during the periods noted below and the potential dilutive effect of such awards.

Period	Awards Stock Options	Granted DSUs (under 2010 DSUP)	Weighted Average Number of Class A Shares and Class B Subordinate Voting Shares Outstanding (in thousands)	Burn Rate[1]
2016	28,188,309	—	2,212,547	1.27%
2017	27,745,712	—	2,195,379	1.26%
2018	19,180,420	—	2,501,047	0.77%

(1) The Burn Rate for a given period is calculated by dividing the number of stock options and DSUs (under the 2010 DSUP) granted during such period by the weighted average number of Class A shares and Class B subordinate voting shares outstanding during such period.

PENSION PLANS

The NEOs, except Laurent Troger, participate in two defined contribution pension plans. Mr. Troger participates in a defined benefit pension plan for service up to December 31, 2013 and in a defined contribution pension plan for service after that date. All these plans are non-contributory.

Alain Bellemare, John Di Bert, David Coleal and Fred Cromer participate in the base defined contribution pension plan (Base DC Plan) and the supplemental defined contribution pension plan (Supplemental DC Plan). Bombardier contributes a total of 25% of the base salary for Mr. Bellemare and 20% of the base salary for Messrs. Di Bert, Coleal and Cromer (in each case, the "Contribution"). The vesting under the Base DC Plan and the Supplemental DC Plan is immediate.

Under the Base DC Plan, Bombardier contributes, on a monthly basis, an amount up to the Contribution, subject to the limit that can be contributed under the *Income Tax Act* (Canada) for tax-registered pension plans. The contribution limit is CDN $26,500 for the year 2018. The NEOs have a choice of investment funds and are responsible for the investment of the contributions in their respective account. As the earnings in each investment fund are credited based on market conditions, there is no above-market or preferential earnings credited on the contributions.

Under the Supplemental DC Plan, Bombardier contributes the amount, if any, representing the difference between the Contribution and the contribution limit in the Base DC Plan. Contributions are made in December of each year. The contributions to the Supplemental DC Plan constitute a taxable benefit in kind to the NEOs. Hence, an amount, after tax deductions, is deposited either in a non-registered account or paid in cash for the benefit of the NEOs. As the account is non-registered, the NEOs can withdraw any amount from their respective account at their own discretion. As the earnings in each investment fund are credited based on market conditions, there is no above-market or preferential earnings credited on the contributions.

Mr. Troger participates in a defined contribution pension plan since January 1, 2014 to which Bombardier contributed 25% of his base salary in 2018. Contributions are subject to taxation and social charges. Hence an amount, after applicable deductions, is deposited in a retirement savings account and the vesting is immediate. Mr. Troger has a choice of different investment funds and he is responsible for the investment of the contributions in his account. He can withdraw any amount from his account at his own discretion. As the earnings in each investment fund are credited based on market conditions, there is no above-market or preferential earnings credited on the contributions. Under his defined benefit pension plan, Mr. Troger is entitled to a benefit that corresponds to 1.5% of his average base salary over the three consecutive years in which his base salary was the highest out of the last 10 years multiplied by the number of years of service up to December 31, 2013.

Short-term incentives paid are not considered in the computation of pension benefits.

All pension benefits payable from these plans are in addition to government social security benefits.

DEFINED BENEFIT PLAN

The following table sets forth the reconciliation of the total obligations with respect to the defined pension benefits payable to the NEO participating in a defined benefit pension plan between January 1, 2018 and December 31, 2018.

NEO	Number of Years of Credited Service(1)		Annual Benefits Payable(2)		Opening Present Value of Defined Benefit Obligation as of December 31, 2017(3) ($)	Change in Obligation During the Year		Closing Present Value of Defined Benefit Obligation as of December 31, 2018(6) ($)
	December 31, 2018	Age 65	December 31, 2018 ($)	Age 65 ($)		Compensatory Changes(4) ($)	Non Compensatory Changes(5) ($)	
Laurent Troger	9.2	9.2	114,900	114,900	2,911,400	(78,200)	(25,600)	2,807,600

(1) Corresponds to years of credited service up to December 31, 2013.

(2) Based on the average base salary over the last three years and, (i) credited service on December 31, 2018 and, (ii) upon attainment of age 65 converted from Euros to US dollars based on an exchange rate of 1.1450 as of December 31, 2018.

(3) The values were converted from Euros to US dollars based on an exchange rate of 1.1993 as of December 31, 2017.

(4) Includes the changes in compensation compared to the actuarial assumptions. The value was converted from Euros to US dollars based on an average exchange rate of 1.1822.

(5) Impact of all other changes including interest on prior year's obligation plus changes in discount rate used to measure the obligations, changes in other assumptions and experience gains or losses (other than compensation related gains or losses) and variations in exchange rates.

(6) The value was converted from Euros to US dollars based on an exchange rate of 1.1450 as of December 31, 2018.

* The amounts presented in the table above are estimates based on assumptions and employment conditions that can change over time. Pension obligations shown above are based on the assumptions used in Bombardier's financial statements and in accordance with the International Financial Reporting Standard(s) (IFRS) accounting standards for their valuation as of the plans measurement date. The method used to determine any estimated amounts may differ from that used by other companies and, for that reason, any comparison of the estimated amounts of Bombardier's pension benefits obligations with those of other companies should be interpreted with caution.

DEFINED CONTRIBUTION PLANS

The following table sets forth the reconciliation of the accumulated value of the Base DC Plan for each of the NEOs participating in a defined contribution pension plan between January 1, 2018 and December 31, 2018. The Supplemental DC Plan and the retirement savings account contributions under Laurent Troger's defined contribution pension plan are reported under the column "All Other Compensation" in the "Summary Compensation Table" of Section 5 of this Circular.

NEO	Accumulated Value as of January 1, 2018 ($)	Compensatory Changes(1) ($)	Accumulated Value as of December 31, 2018(2) ($)
Alain Bellemare	71,900	20,500	81,700
John Di Bert	68,600	20,500	78,700
David Coleal	70,600	20,500	81,000
Fred Cromer	70,700	20,500	81,400

(1) Compensatory changes represent the contributions made by Bombardier. Contributions are converted from Canadian dollars to US dollars based on the average exchange rate of 0.7729 during the financial year ended December 31, 2018.

(2) The accumulated value includes the investment earnings of the financial year ended December 31, 2018. The values were converted from Canadian dollars to US dollars based on an exchange rate of 0.7337 as of December 31, 2018.

TERMINATION AND CHANGE OF CONTROL PROVISIONS

Bombardier's policy is to request the inclusion of non-solicitation, non-disclosure and non-compete provisions in any termination or severance agreements or arrangements with the NEOs, and, subject to any individual agreement or arrangement which may be entered into between Bombardier and any of the NEOs, a separation allowance is paid only if the employment is terminated by the Corporation for any reason other than just cause.

In the case of Alain Bellemare, there is an agreement pursuant to which he would be entitled to receive a separation allowance in an amount equal to 24 months of his base salary and target short-term incentive if his employment is terminated by the Corporation after the first 12 months of employment but prior to age 60, and 12 months of his base salary and target short-term incentive if his employment is terminated by the Corporation after age 60.

In the case of John Di Bert, there is an agreement pursuant to which he would be entitled to receive a separation allowance in an amount equal to 12 months of his base salary if his employment is terminated by the Corporation during his first 12 years of service. The separation allowance will be equal to one month of his base salary per completed year of service if he has completed more than 12 years of service up to a maximum of 18 months of base salary.

In the case of David Coleal and Fred Cromer, there is an agreement pursuant to which they would be entitled to receive a separation allowance in an amount equal to 15 months of their base salary if their employment is terminated by the Corporation.

In the case of Laurent Troger, there is an agreement pursuant to which he would be entitled to receive a separation allowance in an amount not to exceed 24 months of his base salary and short-term incentive if his employment is terminated by the Corporation.

The following table sets forth estimates of the incremental amounts payable to each of the NEOs upon retirement, termination without cause or death, assuming that each such event would have taken place on December 31, 2018. The table does not include the value of insurance benefits that could be continued for a few months following the occurrence of the respective event since they are generally available to all salaried employees.

Estimated Incremental Amounts Payable upon the Following Events Assumed to Occur on December 31, 2018 *			
NEO	Retirement ($)	Termination without Cause ($)	Death ($)
Alain Bellemare	—	5,674,700(1)(2)	161,700(2)
John Di Bert	—	587,000(3)	—
David Coleal	—	755,700(4)	—
Fred Cromer	—	708,500(4)	—
Laurent Troger	—	3,435,000(5)	—

(1) Included is the lump sum amount equal to 24 months of base salary and target short-term incentive.

(2) Included is the lump sum amount equal to the value of unexercised in-the-money stock options as of December 31, 2018 that will vest immediately. The value of the stock options is the difference between the closing price of the underlying shares as of that date and the exercise price, based on the closing price of the Class B subordinate voting shares of CDN $2.03 and an exchange rate from Canadian dollars to US dollars of 0.7337 as of December 31, 2018. These options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the Class B subordinate voting shares on the date of exercise.

(3) Lump sum amount equal to 12 months of base salary.

(4) Lump sum amount equal to 15 months of base salary.

(5) Lump sum amount equal to 24 months of base salary and short-term incentive.

* All incremental amounts would be paid in Canadian dollars except for Laurent Troger where the incremental amount would be paid in Euros. The base salary and short-term incentive plan amounts were converted from Canadian dollars and Euros to US dollars based on the average exchange rates of 0.7337 and 1.1450 respectively during the financial year ended on December 31, 2018.

The following table describes the consequences resulting from different types of termination from employment on the entitlement to the benefits of the Bombardier compensation programs assuming the event took place on December 31, 2018, subject to any individual agreement or arrangement which may be entered into between Bombardier and any of the NEOs. Subject to exceptions, only the accrued and vested benefits are paid under each of the compensation plans.

Retirement	
Severance Payment	None for voluntary retirement
Short-Term Incentive	Entitled to pro-rata of short-term incentive for portion of financial year prior to retirement date
Stock Options	If retirement on or after age 55 with 5 or more years of service, the size of the grant is reduced in proportion to the length of service between the award date and the date of departure to the length of the total vesting period. The reduced number of stock options must be exercised in the following three years and regular vesting rules continue to apply during that period.(1) If retirement on or after age 60 with 5 or more years of service, stock options must be exercised in the following three years and regular vesting rules continue to apply during that period.(1)
Performance Share Units	If retirement on or after age 55 with 5 or more years of service, PSU grant is reduced in proportion to the length of service between the award date and the date of departure to the length of the total vesting period and will be paid at the end of the vesting period, subject to meeting the applicable performance objectives.(2) If retirement on or after age 60 with 5 or more years of service or unreduced early retirement eligible under an approved Bombardier retirement plan, the size of the grant is not affected and will be paid at the end of the vesting period, subject to meeting the applicable performance objectives.(2)(3)
Deferred Share Units	Upon retirement, DSUs already vested are settled in Class B subordinate voting shares before the last day of the calendar year of retirement. All unvested DSUs expire immediately.
Pension Plan	Pension benefits start being paid according to plan rules.
Benefits and Perquisites	Some benefits could continue up to age 65 depending on the number of years of service. Perquisites expire upon retirement.
Termination Without Cause	
Severance Payment	Will be based on common or civil law requirements, except as described in "Termination and Change of Control Provisions" of Section 5 of this Circular.
Short-Term Incentive	None, except as described in "Termination and Change of Control Provisions" of Section 5 of this Circular.
Stock Options	The size of the grant is reduced in proportion to the length of service between the award date and the date of departure to the length of the total vesting period. The reduced number of stock options must be exercised in the following three years and regular vesting rules continue to apply during that period.(1)
Performance Share Units	The PSU grant is reduced in proportion to the length of service between the award date and the date of departure to the length of the total vesting period and will be paid at the end of the vesting period, subject to meeting the applicable performance objectives.(2)
Deferred Share Units	Upon termination, DSUs already vested are settled in Class B subordinate voting shares before the last day of the calendar year of termination. All unvested DSUs expire immediately.
Pension Plan	Value of pension benefits payable in accordance with local legal requirements
Benefits and Perquisites	All benefits and perquisites expire immediately or after a minimal period of a few months.
Death	
Severance Payment	None
Short-Term Incentive	Entitled to pro-rata of short-term incentive for portion of financial year prior to the date of death
Stock Options	Already vested stock options could be exercised within the following 12 months.(1)(4)
Performance Share Units	The PSU grant is reduced in proportion to the length of service between the award date and the date of death to the length of the total vesting period and will be paid at the end of the vesting period, subject to meeting the applicable performance objectives.(2)
Deferred Share Units	Upon death, DSUs already vested are settled in Class B subordinate voting shares before the last day of the calendar year of death. All unvested DSUs expire immediately.
Pension Plan	Value of pension benefits payable in accordance with local legal requirements.
Benefits and Perquisites	All benefits expire immediately. Perquisites expire upon death.

Voluntary Resignation or Termination with Cause	
Severance Payment	None
Short-Term Incentive	None
Stock Options	All options expire immediately.(5)
Performance Share Units	All PSUs expire immediately.(5)
Deferred Share Units	Upon termination, DSUs already vested are settled in Class B subordinate voting shares before the last day of the calendar year of termination. However, vested DSUs may be cancelled by the HRCC if the termination of employment is due to a breach of the Code of Ethics. All unvested DSUs expire immediately.
Pension Plan	Value of pension benefits payable in accordance with local legal requirements
Benefits and Perquisites	All benefits and perquisites expire immediately.
Change of Control	
	Bombardier has no change of control arrangements or agreement with any of its NEOs. A termination without cause following a change of control would therefore trigger the provisions set forth for "Termination Without Cause", if any.

(1) In the case of the President and Chief Executive Officer, the size of the grant is not affected and vesting is immediate. In the event of termination without cause, the stock options must be exercised before the earlier of the date which is three years following the termination date or their original expiration date. In the event of death, the stock options must be exercised by the estate before the earlier of the date which is one year following the date of death or their original expiration date and in any event not later than the earlier of one year following the date of death or three years after the resignation date, in case of death following a voluntary resignation.

(2) In the case of the President and Chief Executive Officer, the PSU grants are not affected. The same applies if the President and Chief Executive Officer becomes disabled.

(3) The same applies if the individual takes a leave of absence resulting from sickness, disability, maternity, paternity, parental leave or adoption.

(4) Provided however that no stock option shall be exercised after the earlier of their original expiration date, and if applicable, three years from the retirement, voluntary authorized leave of absence or disability leave of absence date.

(5) In the case of a voluntary resignation of the President and Chief Executive Officer prior to June 13, 2020, the size of the grants is reduced in proportion to the length of service between the award date and the date of departure to the length of the total vesting period subject to a six-month prior notice and the presentation of a succession plan to the HRCC.

SUMMARY

The HRCC is satisfied that Bombardier's current executive compensation policies, plans and levels of compensation are aligned with Bombardier's performance in light of applicable circumstances and reflect competitive market practices.

The HRCC is confident that these policies and plans allow Bombardier to attract, retain and motivate talented executives while promoting the creation of shareholder value.

The HRCC fully understands the long-term implications of the executive compensation policy and plans and the limitations that they may impose on the total compensation results.

The Chair of the HRCC, Vikram Pandit, will be available to answer questions relating to Bombardier's executive compensation matters at the Meeting, on Thursday, May 2, 2019.

Submitted on February 12, 2019, by the Human Resources and Compensation Committee of the Board of Directors.

Vikram Pandit, Chair
August W. Henningsen
Pierre Marcouiller
Carlos E. Represas

DIRECTORS' AND OFFICERS' INSURANCE

Bombardier has in place a Directors' and Officers' Liability program for the benefit of the Corporation, its directors and officers to indemnify them against certain liabilities incurred by them in their capacity as directors and officers of the Corporation, subject to the terms, conditions and exclusions of the policy. The limit of insurance provided is $240,000,000 per occurrence and in the aggregate per year, at a cost of $1,177,337 per annum. The deductible applicable to the Corporation is $2,500,000 for any insured occurrence.

AVAILABLE DOCUMENTATION

Copies of the Annual Information Form for the financial year ended December 31, 2018, the 2019 Circular and the 2018 Financial Report of Bombardier, which includes its audited consolidated financial statements and its management's discussion and analysis thereon for the financial year ended December 31, 2018, and copies of its quarterly financial reports, which include its quarterly financial statements filed since the date of its latest audited annual financial statements, may be obtained on request from the Public Affairs Department of Bombardier or at www.bombardier.com or www.sedar.com. Financial information related to Bombardier is provided in its comparative financial statements and management's discussion and analysis thereon for the financial year ended on December 31, 2018.

We offer our shareholders the opportunity to view management proxy circulars, annual reports and quarterly reports through the Internet instead of receiving paper copies in the mail. You will find more information on this matter in the Meeting Materials section above.

SHAREHOLDER PROPOSALS

Shareholders of Bombardier who will be entitled to vote at the 2020 annual meeting of shareholders and who wish to submit a proposal in respect of any matter to be raised at such meeting must submit their proposal(s) to the Senior Vice President, General Counsel and Corporate Secretary of Bombardier no later than December 4, 2019.

Exhibit "B" attached to this Circular sets out the five shareholder proposals that have been submitted for consideration at the Meeting by the Mouvement d'éducation et de défense des actionnaires (MÉDAC). However, following the response of the Corporation, the MÉDAC agreed to withdraw proposal 2 and therefore this proposal will not be put to the Meeting and no vote will be held thereon.

ADVANCE NOTICE REQUIREMENT FOR DIRECTOR NOMINATIONS

Bombardier's By-Law One contains an advance notice requirement in circumstances where nominations of persons for election to the Board of Directors are made by shareholders of the Corporation other than pursuant to: (a) a requisition of a meeting made pursuant to the provisions of the CBCA; or (b) a shareholder proposal made pursuant to the provisions of the CBCA (the "Advance Notice Requirement"). In the case of an annual meeting of shareholders, notice to the Corporation must be made not less than 30 nor more than 65 days prior to the date of the annual meeting: provided, however that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Corporation must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made. In addition, the Advance Notice Requirement sets forth the information that a shareholder must include in the notice for it to be valid, including, among other things, identification and shareholding information about the nominee and information about the shareholder making the nomination and any proxy, contract, arrangement, understanding or relationship pursuant to which such shareholder has a right to vote any shares of Bombardier. Bombardier's By-Law One is available on the SEDAR website at www.sedar.com.

APPROVAL OF THE BOARD OF DIRECTORS OF BOMBARDIER

The contents and the sending of this Circular have been approved by the Board of Directors.

Montréal, March 4, 2019

Daniel Desjardins
Senior Vice President, General Counsel and Corporate Secretary

EXHIBIT "A"

BOMBARDIER INC.

MANDATE OF THE BOARD OF DIRECTORS OF BOMBARDIER INC.

MANDATE OF THE BOARD

The role of the Board is to supervise the management of Bombardier's business and affairs with the objective of increasing profitability and, therefore, enhancing shareholder value.

The directors, in exercising their powers and discharging their duties, shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Management's role is to conduct the day-to-day operations in a way that is consistent with the business plan approved by the Board.

The Board decides all matters expressly stated herein to be under its jurisdiction or provided for under the *Canada Business Corporations Act* ("CBCA") or other applicable legislation or Bombardier's articles of incorporation or by-laws (subject always to the power of the Board to delegate to a Committee or to individual directors or officers any part of its authority which it may lawfully so delegate). The Board may assign to any Board Committee the prior review of any issues the Board is responsible for Board Committee recommendations are subject to Board approval. The Board is to be informed of any Board Committee decisions at the regular Board meeting next following such decision.

As part of its stewardship responsibility, the Board advises management on significant business issues and has the following responsibilities:

A. APPROVING BOMBARDIER'S STRATEGY

- adopting a strategic plan, updating it on at least an annual basis, taking into account, among other things, the opportunities and risks of the business, and monitoring the implementation of the strategic plan by management;
- adopting, on an annual basis, an appropriate business plan which reflects the implementation of the first year of the strategic plan, and reviewing it on a quarterly basis.

B. MONITORING FINANCIAL MATTERS AND INTERNAL CONTROLS

- through the work and recommendations of the Audit Committee, monitoring the quality and integrity of Bombardier's accounting and financial reporting systems, disclosure controls and procedures, internal controls and management information systems, including by overseeing:
  - a) the integrity and quality of Bombardier's financial statements and other financial information and the appropriateness of their disclosure;
  - b) independent auditors' qualifications and independence;
  - c) the performance of Bombardier's internal audit function and of Bombardier's independent auditors; and
  - d) Bombardier's compliance with its own Code of Ethics and Business Conduct and all applicable legal and regulatory requirements;
- except to the extent delegated by the Board, the responsibility of all decisions involving a minimum amount, as provided in the Administration Policy pertaining to the various levels of authority;
- based on the recommendations of the Audit Committee, recommending to the shareholders of Bombardier the appointment of its independent auditors;
- through the work and recommendations of the Finance and Risk Management Committee, ensuring that an appropriate risk assessment process is in place to identify, assesses and manage the principal risks of Bombardier's business;
- adopting communications policies and monitoring Bombardier's investor relations programs; Bombardier's communications policies (i) address how Bombardier interacts with analysts, investors, other key stakeholders and the public, (ii) contain measures for Bombardier to comply with its continuous and timely disclosure obligations and to avoid selective disclosure, and (iii) are reviewed at least annually.

C. MONITORING PENSION FUND MATTERS

- through the work and recommendations of the Finance and Risk Management Committee, monitoring and reviewing Bombardier's pension fund investment policies and practices, in the context of pension plan liabilities.

D. MONITORING ENVIRONMENTAL MATTERS

- through the work and recommendations of the Finance and Risk Management Committee, monitoring and reviewing, as appropriate, Bombardier's environmental policies and practices and overseeing their compliance with applicable legal and regulatory requirements.

E. MONITORING OCCUPATIONAL HEALTH AND SAFETY MATTERS

- through the work and recommendations of the Human Resources and Compensation Committee, monitoring and reviewing, as appropriate, Bombardier's occupational health and safety policies and practices and overseeing their compliance with applicable legal and regulatory requirements.

F. OVERSEEING THE SUCCESSION PLANNING OF THE CHIEF EXECUTIVE OFFICER AND A NUMBER OF SELECTED SENIOR EXECUTIVE POSITIONS THROUGH THE APPROPRIATE MECHANISMS PUT IN PLACE BY THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

- appointing the Chief Executive Officer, monitoring his performance and overseeing the appointment of a number of selected senior executive positions;
- approving the compensation of the Chief Executive Officer and ensuring that an appropriate portion of the compensation of the Chief Executive Officer' and of a number of selected senior executive positions is tied to the short- and long-term performance of Bombardier;
- ensuring that recruitment, training and development processes are in place to attract, motivate and retain qualified executives to meet Bombardier's business objectives.

G. MONITORING CORPORATE GOVERNANCE ISSUES THROUGH THE WORK AND RECOMMENDATIONS OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

- monitoring the size and composition of the Board to ensure effective decision-making;
- overseeing management in the competent and ethical operation of Bombardier;
- monitoring Bombardier's approach to governance issues and monitoring and reviewing, as appropriate, Bombardier's Corporate Governance Manual and policies;
- reviewing, from time to time, Bombardier's Code of Ethics and Business Conduct applicable to Bombardier's directors, officers, and employees;
- ensuring the annual performance assessment of the Board, Board Committees, board and committee chairs and individual directors and determining their remuneration;
- recommending to the Board (i) the Board nominees for election at the annual meeting of shareholders or (ii) up to two nominees to be appointed by the Board as additional directors to hold office for a term expiring not later than the close of the next annual meeting of shareholders or (iii) the nominees to fill Board vacancies.

H. THE LEAD DIRECTOR

- prior to or after each regular meeting of the Board, if required, the independent directors will meet under the chairmanship of the Lead Director who is appointed annually by the members of the Board;
- additional meetings may be held at the request of any independent director;
- thereafter, the Lead Director will transmit to the Chairman of the Board and Chief Executive Officer, any comment, question or suggestion of independent directors;
- independent directors have no decision-making power;
- independent directors may provide for their own procedure such as secretariat, notices of meeting, minutes and similar matters;
- their quorum is composed of a majority of the independent directors.

EXHIBIT "B"
BOMBARDIER INC.
SHAREHOLDER PROPOSALS

The following shareholder proposals have been submitted for consideration at the Meeting by the MÉDAC.

1 - Integration of environmental, social and corporate governance (ESG) criteria in senior executive compensation

It is proposed that the Compensation Committee file, in its annual business activities report, a report on the importance it places on integrating environmental, social and corporate governance criteria in the performance evaluation of senior executives and the determination of their compensation.

The guidelines published in 2012 pursuant to the *United Nation Principles for Responsible Investments* (UNPRI) and the United Nations Global Compact specify that using ESG criteria can be an important factor in the creation and protection of value for shareholders.

These objectives can be summarized as follows: The number of women in their decision-making bodies; the rate at which individuals from various sociocultural communities are integrated; the initiatives deployed to reduce the use of paper, energy and water; the actions taken to ensure the sustainable employability of various staff members when tasks are automated; the different programs proposed to promote employee health and well-being, etc.

Interestingly, businesses with clear ESG guidelines generally have a better reputation among their customers, adapt to change more easily, better manage their risks, and are more innovative and therefore better equipped to develop long-term added value for their shareholders and all *stakeholders*.

Integrating financial goals in the performance evaluation and determination of senior executive compensation undoubtedly plays a crucial role in achieving these objectives. It would be important to reassure shareholders and *stakeholders* that ESG criteria serve as a formal guide when evaluating the performance of the CEO and his management team.

BOMBARDIER'S RESPONSE

The Corporation attaches great importance to the ESG criteria. Over the years, it has implemented various policies and practices (including those presented in our annual activity report and annual information form) that go beyond the legal requirements to which the Corporation's products, manufacturing activities and service delivery are subject. These policies and practices are evidence of our strong commitment to corporate social responsibility.

We believe that long-term results can be achieved thanks to the current corporate social responsibility efforts we are deploying across the Corporation. Our proactive and transparent accountability allows shareholders, stakeholders and the general population to appreciate the efforts and progress the Corporation has made in that area.

Sustainability is also an integral part of our corporate strategy. In the last few years, the Corporation has continued to drive innovative and sustainable practices within its business. In 2017 and 2018, it was named to Corporate Knights' Best 50 Corporate Citizens in Canada ranking, a benchmark indicator of sustainability, and in January 2019, it was named to Corporate Knights' Global 100 Most Sustainable Corporations in the World Index, where it placed in the top 25 and was both the highest ranked Canadian company and the leading transportation corporation. The Corporation also appears in the ranking of Corporate Knights' 2017 Carbon Clean 200 and As We Sow. Finally, the Corporation is a signatory of the United Nations Global Compact, the principles of which are integrated into our Code of Ethics and Business Conduct. For more information on Bombardier's ESG practices, visit www.bombardier.com/en/sustainability.html, where you will find our 2017 Activity Report, which is modelled on the standards set by the Global Reporting Initiative and the International Integrated Reporting Council's Framework.

In addition to being made up entirely of independent directors within the meaning of the applicable securities legislation, the HRCC has full access to the information it needs and benefits from the advice of external professionals and the relevant experience of its members to make adequate executive compensation decisions. The HRCC regularly reviews the performance measures used in the Corporation's executive compensation program and it is part of its role to assess whether the explicit integration of new measures helps to promote the objectives of the Corporation. The HRCC is of the opinion that the Corporation's executive compensation policies and programs are adequate given the competitive environment and difficult market conditions in which Bombardier operates, and that these policies and programs encourage (as they should) a rigorous execution of the Corporation's turnaround plan. They also focus on incentive compensation linked to corporate performance so as to ensure that the financial interests of the Corporation's senior executives are closely aligned with those of the shareholders. Although Bombardier measures corporate performance in terms of the earning capacity from operations, net of interest and tax, as well as the ability to generate internal growth and deleverage the balance sheet, individual short-term incentive payments are ultimately adjusted based on a discretionary assessment of the individual performance of each executive officer as compares to the applicable objectives of the business segments and the Corporation.

In light of the above, we believe that the actions already taken by the Corporation with respect to ESG criteria are appropriate and adequately serve the interests of Bombardier's shareholders as well as the interests of all its other stakeholders, including the communities in which we operate and we do not consider, at this time, that the integration of ESG criteria into the assessment of executive performance and the setting of their compensation is necessary in order to ensure long-term value creation for managers. shareholders and other stakeholders.

For these reasons, Bombardier therefore recommends shareholders vote AGAINST the proposal.

2 - Independence of directors

It is proposed that all information that led the board to declare whether or not a director is independent be disclosed in the Management Proxy Circular, in accordance with securities regulations.

In *Regulation 58-101 respecting Disclosure of Corporate Governance Practices*, reporting issuers are required to disclose the name of directors who are not independent *and describe the basis for that determination.* To that effect, *Regulation 52-110 respecting Audit Committees* describes a number of specifications regarding the definition of independence.

Professor Stéphane Rousseau, specialist in corporate governance from Université de Montréal, writes:

> [TRANSLATION]
>
> Many feel that the independence of directors with respect to officers is "a crucial component of effective governance". The importance placed on director independence stems from the duty to supervise the board of directors. Remember that a public corporation's board of directors will usually be a mix of internal directors, who are part of management, and external directors. It is difficult for internal directors to play a supervisory role, as this would be tantamount to asking them to evaluate their own performance objectively. What is more, they may have reservations or feel uncomfortable about criticizing the chief executive officer given his or her influence on their own career. Seen from this perspective, only external directors are able to supervise management.[1]

More information must be disclosed on the Corporation's various directors to better understand the nature of each director's relationship with the business, the officers and the controlling shareholders so that shareholders may exercise their voting right in an informed manner and improve the Corporation's corporate governance. This change will allow shareholders to evaluate the true objectivity of directors, especially when they have been in office for a number of years.

BOMBARDIER'S RESPONSE

Any relevant information in that regard is currently disclosed, and there is no additional information on the subject.

The relationships between each of the non-independent directors and the Corporation, officers and significant shareholders are described in detail in the Circular. We refer you more specifically to notes B, D, F and G on page 13 of the Circular and in the table on pages 26 and 27.

This description of the relationships between each director and the Corporation, officers and significant shareholders provided in the Circular already meets and exceeds the applicable regulatory requirements, and reflects the Corporation's transparency in that regard. The information contained in the Circular clearly indicates which of the Corporation's directors are not independent, and allows the public to adequately gauge the nature of the relationship that each has with the Corporation, officers and significant shareholders, and provides all of the reasons that explain their non-independence.

Notes B, D, F and G on page 13 of the Circular constitute a purely voluntary disclosure of details regarding ownership of the Corporation's securities by significant shareholders where there is a material relationship with one or several non-independent directors or nominees proposed as directors, even though the requirements set forth in section 7.1(g) of Form F5 of *Regulation 51-102 Respecting Continuous Disclosure Obligations* are not applicable. Moreover, the table on pages 26 and 27 of the Circular presents a highly detailed explanation, broken down into several reasons of varying degrees of importance, of all of the relationships between each of the non-independent directors and the Corporation, officers and significant shareholders. Consequently, proposal 2 would bring no further information.

Considering the foregoing, and further to the discussions that management held with MÉDAC, it was agreed that Proposal 2 would not be presented at the Meeting for voting purposes.

1 ROUSSEAU, Stéphane, Le rôle des tribunaux et du conseil d'administration dans la gouvernance des sociétés ouvertes : réflexions sur la règle du jugement d'affaires, Les Cahiers de droit, Volume 45, Number 3, 2004. https://www.erudit.o rg/en/journals/cd1/2004-v45-n3-cd3839/043804ar.pdf

3 - Separate voting results by class of shares

It is proposed that the Corporation disclose voting results by class of shares, namely those shares carrying one voting right and those carrying multiple voting rights.

In 2018, 15.77% of the votes were cast in favour of this proposal, a significant increase compared to 2016, when the percentage of votes it garnered was 12.23%. According to the 2018 annual meeting voting results report, 517,320,979 votes were cast in favour of our proposal out of the total of 572,989,512 votes then exercised that were not controlled by the family, namely over 90% of the independent votes, which would represent approximately 59.40% of the votes cast if the controlling shareholders had only held common shares instead of multiple voting shares.

Our experience in recent years shows that holders of different types of shareholders may not have the same concerns. A few cases in point are the institution of an advisory vote on senior executive compensation, renewal of the term of office of one or more directors and the issue of diversity on the board of directors.

Multiple voting shares do have certain advantages, as long as compliance with the main principles of good corporate governance ensures that the rights and interests of minority shareholders and of all *stakeholders* are adequately protected. To achieve this, all shareholders must have quick and direct access to voting results so that they can be sure their voices have indeed been heard.

Having such information would allow minority shareholders to better monitor the actions taken by the Corporation to meet the expectations they have expressed and would also promote a more open dialogue between the classes of shareholders. It could even result in greater minority shareholder loyalty and thereby build the type of consensus and mutual trust that can prove very useful when organizations go through difficult times.

BOMBARDIER'S RESPONSE

As stated by the MÉDAC, this same proposal was submitted to the vote of the Corporation's shareholders at its three previous annual shareholder meetings, and was rejected by 84.23% of the votes cast in 2018, by 84.19% of the votes cast in 2017 and by 87.8% of the votes cast in 2016. The Corporation and the Board hereby reaffirm their position; which position was consistently confirmed by a significant majority of the votes cast at the last three annual shareholders' meetings.

Only a small number of companies report voting results by class, typically when a specific class of shareholders is required to vote on a certain number of directors representing that class. This situation does not apply to us because all of our shareholders, regardless of class, can vote for every director. Provision of separate results for votes of holders of subordinate voting shares, in circumstances in which they have no separate class vote at a meeting, is not viewed by the Board as necessary or useful.

Subject to the Corporation's restated articles, the *Canada Business Corporations Act* and any other applicable requirements, Class A shares and Class B subordinate voting shares vote together in respect of matters raised for consideration at each meeting of the Corporation's shareholders. Accordingly, the Board of Directors believes that providing disclosure of shareholder voting results on a class-by-class basis would not provide investors with any meaningful information and, further, would risk misleading holders of Class B subordinate voting shares into believing that they are entitled to vote separately as a class on matters for which no such rights exist. This position is in line with applicable legislation, which does not require the disclosure of votes per class of shares but otherwise contains sections dealing with the protection of shareholders. In addition, directors have the fiduciary obligation to ensure that the interests of all shareholders, irrespective of the class of shares held, are adequately protected.

The Board of Directors and the Corporation's shareholders determined over 35 years ago that a dual-class share structure was most appropriate in light of market conditions, the Corporation's shareholder base and the Corporation's needs. The Board of Directors continues to believe that this shareholding structure is the most suitable for the Corporation, that the interests of the vast majority of the Corporation's shareholders are well aligned, and that the engagement and dialogue established between the Corporation and its shareholders ensures that all shareholders who wish to be heard are.

As Bombardier is firmly committed to providing investors with the highest level of meaningful and relevant disclosure in accordance with applicable corporate and securities laws and best practices, all shareholders have access to a broad range of information via, for example, the Corporation's annual information form, management proxy circular, annual and quarterly financial statements and related management's discussion and analysis. As such, they invest in Bombardier knowingly of its dual-class share capital structure and of the characteristics attributed to both classes of shares, including the fact that the Class B subordinate voting shares are restricted securities (within the meaning of the relevant Canadian regulations respecting securities).

The Board of Directors, which is composed of close to two-thirds of independent directors, continues to believe that the Corporation's governance practices and track record reflect a consistent regard for the interests of all shareholders, notwithstanding the different voting rights inherent in its capital structure. The Corporation ensures that the voices of all shareholders are heard and lead to actions aligned with their expectations, consistent with, and to the extent provided under, the Corporation's restated articles of incorporation, applicable Canadian law and regulations of the TSX.

Finally, the Corporation complies with and, in certain respects, even surpasses, the applicable requirements of Canadian securities laws and of the TSX concerning the disclosure of the results of votes held at meetings of its shareholders.

For these reasons, Bombardier therefore recommends shareholders vote AGAINST the proposal.

4 - Threshold of control

It is proposed that all individuals that exert control over the Corporation by exercising the multiple voting rights attaching to the Class A Shares – whether directly or indirectly held – hold a number of shares exceeding 15%, even 20%, of the total number of outstanding shares, regardless of the class thereof.

In the financial world, it is generally admitted that the presence of multiple voting shares in a public corporation's shareholder structure should necessary be accompanied by regulatory measures designed to mitigate as much as possible the effect of democratic distortion that it inherently provokes.

In its proxy vote policy, the *Caisse de dépôt et placements du Québec* stipulates that:

> There is no objective criterion to determine what represents significant interest, but la Caisse considers reasonable to expect a controlling shareholder **to maintain** over the long term an **interest of at least 15%** in its company's equity. In other words, this is equivalent to a maximum of six votes per multiple voting share.[2]

What is more, Yvan Allaire, executive chair of the board of directors of the Institut sur la gouvernance d'organisations privées et publiques, states :

> [TRANSLATION]
>
> There are a good number of reasons to adopt a **shareholding threshold of 20%** to exercise absolute control over a business. In fact, it is starting from this threshold that the purchasers of a block of shares must present an offer to all other shareholders, and it is also the threshold of ownership at which tax-free inter-corporate dividends begin and the consolidation of subsidiaries becomes effective.
>
> […] This minimum shareholding threshold seems reasonable for exercising control over a public corporation, seeing as it gives entrepreneurs plenty of latitude to ensure business growth before their voting power dips below the 50% threshold (and even when their effective control remains considerable). This guideline means that an entrepreneur can "sell" 80% of his business to a public investor while retaining absolute control over it.[3]

For all of these reasons, the corporation should adopt such a rule.

BOMBARDIER'S RESPONSE

Bombardier will respond to proposals 4 and 5 together in response to proposal 5 below.

5 - Decline of multiple voting shares

It is proposed that the multivoting rights attaching to the Class A Shares of the Corporation be converted into a single voting right per shares.

The guidelines of a number of investment industry players tackle the issue of multiple voting shares directly:

The Fédération des caisses Desjardins

[…] vote for **abolishing** such [dual-class share] structures.[4]

The Canada Pension Plan Investment Board (CPPIB)

Support the **collapse** of existing dual-class share structures on terms that are in the long-term best interests of the company.[5]

The Public Sector Pension Investment Board

"We will support **collapsing** dual class structures into a single class of securities […].[6]

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2 Policy on the Principles Governing the Exercise of Voting Rights of Public Companies, CDPQ, 2018
https://www.cdpq.com/sites/default/files/medias/pdf/en/politique_exercice_droit_vote_en.pdf

3 *Les actions multivotantes : quelques modestes propositions* — Document de politique #1, IGOPP, 2006
https://igopp.org/wp-content/uploads/2014/04/Allaire-Politique_1_-_VF_-_Final-3.pdf

4 https://www.fondsdesjardins.com/information/droit_vote_en.pdf

5 http://www.cppib.com/documents/1769/CPPIB_Proxy_Voting_Principles_and_Guidelines_EN_Wz3xvj0.pdf

6 https://www.investpsp.com/media/filer_public/02-we-are-psp/02-investing-responsibly/content-6/Proxy_Voting_Guidelines_November_2017.pdf

The Shareholder Association for Research & Education

"[The Fund] will vote for **the replacement** of multiple-vote shares with shares that have one vote per share [...].[7]

The Fonds de solidarité des travailleurs du Québec

> [TRANSLATION]
>
> The Fonds is not opposed to the practice of creating, issuing or maintaining shares with unequal voting rights **when that practice is in the best interests of the stakeholders of the Corporation.**[8]

The global government pension fund (Norway)

*Companies should use capital restructuring events as an opportunity to **remove differential rights** or to demonstrate their commitment to removing differential rights in the future.*[9]

The California Public Employees' Retirement System (CalPERS)

> [TRANSLATION]
>
> A shareowner's right to vote is irrevocable and cannot be reduced. All investors must be treated equitably and upon the principle of **one-share/one-vote.**[10]

The Institutional Shareholder Services (ISS)

*[...] a dual class capital structure [...] must meet all of the following criteria : [...] • **There is a sunset provision;***[11]

Glass Lewis

[...] we typically recommend that shareholders vote in favor of recapitalization proposals to eliminate dual-class share structures.[12]

The Common Sense Principles, according to Warren Buffet

If a company has dual class voting [...] the company ordinarily **should have specific sunset provisions** [...].[13]

The little consideration that controlling shareholders give to stakeholders interests[14] the progressive dismantling of the Corporation over the years, the growing discrepancy between the family's interests and those of the others,[15] as well as the increasing importance placed on short-term considerations require no further proof. The goals targeted in this multiple voting share plan can be achieved by means of other instruments. They need only be implemented.

In the end, the Corporation must change hands. Indeed, it is in everyone's interest.

BOMBARDIER'S RESPONSE

The proposals deal with subjects that do not fall within the authority of the Corporation or its Board; they exceed the implementing powers of the Corporation or the Board and, as a result, do not constitute appropriate subjects to be dealt with by the Board.

Indeed, under the applicable legislation, any change to the Corporation's share capital structure, including to the rights, privileges and restrictions attaching to a class of shares, requires that the shareholders take certain measures (and if the shares of various classes are affected differently, the shareholders of each class of shares must vote as a separate class). The directors do not have the power to terminate or change the multiple voting structure or to amend the multiple vote sunset provision from its current version stated in the articles. Both proposals, as they are presented, would constitute a "fundamental change" (within the meaning of the applicable business corporation legislation) to the Corporation, requiring the adoption of special resolutions by the holders of Class A Shares and Class B Subordinate Voting Shares, each class

7 https://share.ca/documents/proxy_voting_reports/Proxy_Voting_Guidelines/2018/2018_Proxy_Voting_Guidelines_EN_FINAL.pdf
8 https://www.fondsftq.com/-/media/Site-Corporatif/Fichiers-PDF-Centre-de-documentation/2018/Politiques_droit-de-vote_Rev_2018_FINALE-_-Adoptee-_-CA_30-08-18.pdf
9 https://www.nbim.no/contentassets/80728f924b6a4f348bf3f04c476601f6/global-voting-guidelines-2016.pdf
10 https://www.calpers.ca.gov/docs/forms-publications/governance-and-sustainability-principles.pdf
11 https://www.issgovernance.com/file/policy/active/americas/Canada-TSX-Voting-Guidelines.pdf
12 http://www.glasslewis.com/wp-content/uploads/2018/10/2019_GUIDELINES_Canada.pdf
13 http://www.governanceprinciples.org/wp-content/uploads/2018/10/CommonsensePrinciples2.0.pdf
14 https://www.cdpq.com/sites/default/files/medias/pdf/fr/bombardier-fr.pdf
15 https://medac.qc.ca/1581

voting separately. Consequently, proposals 4 and 5 cannot be implemented pursuant to the applicable business corporations legislation.

Essentially, we continue to firmly believe that the Corporation's share capital structure is appropriate in light of the market, and the competitive realities and share ownership of the Corporation, and that this structure is in the best interests of the Corporation, all of its shareholders and all of the other stakeholders, including its employees.

We also point out that the Corporation's share capital structure, a dual-class system, has been in place since 1980 and was approved by the shareholders in accordance with the requirements of the applicable business corporations legislation. Investors who choose to invest in Bombardier are fully aware of its dual-class structure and of the multiplication factor associated with the Class A voting rights. The voting rights attaching to the Class A Shares and Class B Subordinate Voting Shares are clearly disclosed each year in the annual information form and management proxy circular, and a particular emphasis is placed on the fact that the Class B Subordinate Voting Shares are subordinate voting securities (within the meaning of the applicable Canadian securities legislation), in accordance with the current information disclosure provisions that apply to corporations that have a dual-class structure. Both classes of shares are, for the most part, held by the public and are listed on the Toronto Stock Exchange, and no restriction prevents an investor from purchasing Class A Shares on the market if the rights, privileges, conditions and restrictions attaching to those shares are such that they constitute an investment that is best suited to that investor's individual needs.

What is more, the provisions governing shares set forth in the Corporation's articles contain a "coattail" provision for the holders of Class B Subordinate Voting Shares and a multiple vote sunset provision that is in keeping with the principles highlighted in the excerpt reproduced from Proposal #5.[16] Our coattail provision ensures that all shareholders receive the same price for their shares in the event an offer to acquire Class A Shares was to be accepted by the majority shareholder of the Corporation, as defined in the Corporation's articles. As for the multiple vote sunset provision, it provides that the Class B Subordinate Voting Shares may be converted by the holders thereof into Class A Shares if the majority shareholder ceases to directly or indirectly hold more than 50% of the outstanding Class A Shares. The Corporation's multiple vote sunset provision therefore affords adequate protection to the holders of Class B Subordinate Voting Shares.

The Corporation's dual-class structure protects management from the quarterly pressures exerted by analysts and investors in the short term, allowing it to focus on the Corporation's long-term success and profitability, and giving it *ipso facto* the latitude it needs to make long-term job creation and investment decisions. Indeed, such a structure is a direct and transparent means for protecting management from temporary and short-term disruptions and pressures.

We also believe that a dual-class structure protects the Corporation from opportunistic buyers and hostile take-over bids, which has the additional advantage of maintaining ownership and keeping the head office in Canada. Take-over bids presented by foreign bidders represent a real risk for Canadian companies, and dual-class structures are one of the rare means of defence available to them. In fact, the Canadian regulatory context is one of the most inviting ones for hostile take-over bids seeing as, unlike the legislation of most states in the U.S., Canadian laws do not allow the boards of directors of listed companies to refuse submitting a bid to shareholders. We quote here the author of one of the quotes to which the proposal refers, Mr. Yvan Allaire:

> [TRANSLATION]
>
> "Without a controlling shareholder, without a dual-class structure, there simply would not be an aerospace industry in Canada. There would be no C Series to compete with Boeing and Airbus (an extraordinary feat in Canada), or no Magna in Ontario (a corporation that had a dual-class structure until 2010), no Rogers Communications, Teck Resources, Canadian Tire, Weston, CGI, Shaw and so on."[17]

At any rate, any concern over the Corporation's dual-class structure is dispelled by the independent oversight of the Corporation's executive officers thanks to the composition of its Board (almost two thirds of the members of which are independent directors), the appointment of an independent lead director and the strong governance principles and practices, all of which effectively reinforce accountability. The dual-class structure does not prevent new perspectives from reaching the Board, as can be seen from the addition of eight new independent directors since 2013, notably Patrick Pichette (2013),[18] Vikram Pandit (2014), August W. Henningsen (2016), Beatrice Weder di Mauro (2016), Pierre Marcouiller (2017), Antony N. Tyler (2017), Douglas R. Oberhelman (2017) and Diane Giard (2017), in addition to this year's appointment of Anthony R. Graham.

To this we must add the numerous protections afforded by the Corporation's articles, the applicable Canadian laws and regulations and the Toronto Stock Exchange rules, which grant adequate rights to shareholders, including minority shareholders.

For these reasons, Bombardier therefore recommends shareholders vote AGAINST proposals 4 and 5.

[16] We are referring here to the citations taken from the Institutional Shareholder Services and The Common Sense Principles, According to Warren Buffet.

[17] "Pourquoi le Canada a besoin des actions multivotantes", Yvan Allaire, May 9, 2016, Les Affaires.

[18] Patrick Pichette has not sat on the board of directors of the Corporation since 2017.

APPENDIX

STOCK OPTIONS AND 2010 DEFERRED SHARE UNIT PLAN (2010 DSUP)

Stock options

A grant of stock options represents the right to purchase an equal number of Class B subordinate voting shares at the determined exercise price.

The main rules of the Stock Option Plan are as follows:

- the exercise price equals the weighted average trading price of the Class B subordinate voting shares traded on the TSX on the five trading days immediately preceding the day on which an option is granted;
- options have a maximum term of seven years and vest at a rate of 100% at the end of the third anniversary of the date of grant; the three-year vesting period aligns with the vesting schedules of the RSU/PSU/DSU plans;
- if the expiration date of an option falls during, or within 10 business days following the expiration of a blackout period, such expiration date shall automatically be extended for a period of 10 business days following the end of the blackout period; and
- refer to "Termination and Change of Control Provisions" of Section 5 of this Circular for the treatment of stock options in such cases.

In addition, the Stock Option Plan provides that no option or any right in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession.

The granting of stock options is subject to the following rules:

- granting non-assignable options to purchase Class B subordinate voting shares may not exceed 224,641,195, taking into account the aggregate number of Class B subordinate voting shares issuable under any other security-based compensation arrangement of the Corporation; and
- in any one-year period, any insider or his or her associates may not be issued shares exceeding 5% of all issued and outstanding Class B subordinate voting shares.

DEFERRED SHARE UNITS ("DSUs")

A grant of DSUs represents the right to receive an equal number of Class B subordinate voting shares or, in the case of DSUs granted prior to June 2010, a cash payment equal to the value of the DSUs, if the pre-determined performance targets are attained.

The main rules of the DSU Plan and 2010 DSUP are summarized below:

- the vesting period is determined at the date of the grant, subject to a maximum term of three years from that date;
- the key performance indicator and targets for DSUs are usually determined at the date of the grant by the HRCC;
- the number of Class B subordinate voting shares or amount of the cash payment delivered upon the participant's termination of employment, death or retirement may be cancelled, reduced or increased depending on the actual results of the applicable performance indicator(s);
- dividend equivalents will be settled in the form of additional DSUs;
- the maximum number of Class B subordinate voting shares which may be issued from treasury under the 2010 DSUP is 24,000,000; and
- refer to "Termination and Change of Control Provisions" of Section 5 of this Circular for the treatment of DSUs in such cases.

In addition, the terms of the DSU Plan and 2010 DSUP provide that the rights of a participant thereunder may not be assigned, encumbered, pledged, transferred or alienated in any way other than by will or pursuant to the laws of succession.

When a DSU participant's employment terminates for any reason, vested DSUs are settled. Vested DSUs granted before June 2010 under the DSU Plan are settled as Class B subordinate voting shares purchased on the secondary market or, at the discretion of the HRCC, the cash equivalent. Vested DSUs granted on or after June 2010 under the 2010 DSUP are settled as Class B subordinate voting shares issued from treasury or purchased on the secondary market. Actual settlements of vested DSUs may be postponed by the HRCC until the last calendar day of the year of termination of employment, death or retirement.

Common terms

In addition, under the terms of both the 2010 DSUP and Stock Option Plan:

- the total number of Class B subordinate voting shares issuable from treasury, together with the Class B subordinate voting shares issuable from treasury under all of the Corporation's other security based compensation arrangements, at any time, may not exceed 10% of the aggregate number of issued and outstanding Class B subordinate voting shares and Class A shares;
- the total number of Class B subordinate voting shares issuable from treasury to insiders and their associates, together with the Class B subordinate voting shares issuable from treasury to insiders and their associates under all of the Corporation's other security based compensation arrangements, at any time, may not exceed 5% of the total issued and outstanding Class B subordinate voting shares;
- the total number of Class B subordinate voting shares issued from treasury to insiders and their associates, together with the Class B subordinate voting shares issued from treasury to insiders and their associates under all of the Corporation's other security based compensation arrangements, within any given one-year period, may not exceed 10% of the total issued and outstanding Class B subordinate voting shares; and
- a single person cannot hold DSUs covering, or options to acquire, as the case may be, more than 5% of the Class B subordinate voting shares issued and outstanding.

As of December 31, 2018, the status was as follows:

	Plan	Issued	Issuable under DSUs Granted OR Stock Options Granted but Unexercised	Issuable for Future DSUs OR Stock Option Grants(1)
Total number of Class B subordinate voting shares	Stock Option Plan	62,690,721(2)	111,545,290	49,028,273
	2010 DSUP	791,649	585,262	22,623,089
% of total number of Class A shares and Class B subordinate voting shares issued and outstanding	Stock Option Plan	2.58%	4.58%	2.01%
	2010 DSUP	0.03%	0.02%	0.93%

(1) The aggregate number of Class B subordinate voting shares issuable under the Stock Option Plan and the 2010 DSUP may not exceed, taking into account the aggregate number of Class B subordinate voting shares issuable under any other security based compensation arrangement of the Corporation, 224,641,195.

(2) Including a number of 540,000 shares which were issued pursuant to the exercise of stock options granted under the Stock Option Plan for the benefit of the non-executive directors of Bombardier, which was abolished effective October 1, 2003.

The total number of stock options issued in the financial year ended December 31, 2018 (being 19,180,420 stock options), as a percentage of the total number of Class A shares and Class B subordinate voting shares that were issued and outstanding as at December 31, 2018, is 0.79%.

Right to amend the 2010 DSUP or the Stock Option Plan

The Board of Directors may, subject to receiving the required regulatory and stock exchange approvals, amend, suspend or terminate the 2010 DSUP and any DSUs granted thereunder or the Stock Option Plan and any outstanding stock option, as the case may be, without obtaining the prior approval of the shareholders of the Corporation; however, no such amendment or termination shall affect the terms and conditions applicable to unexercised stock options previously granted without the consent of the relevant optionees, unless the rights of such optionees shall have been terminated or exercised at the time of the amendment or termination.

Subject to but without limiting the generality of the foregoing, the Board of Directors may:

- wind up, suspend or terminate the 2010 DSUP or the Stock Option Plan;
- terminate an award granted under the 2010 DSUP or the Stock Option Plan;
- modify the eligibility for, and limitations on, participation in the 2010 DSUP or the Stock Option Plan;
- modify periods during which the options may be exercised under the Stock Option Plan;
- modify the terms on which the awards may be granted, terminated, cancelled and adjusted and, in the case of stock options only, exercised;
- amend the provisions of the 2010 DSUP or the Stock Option Plan to comply with applicable laws, the requirements of regulatory authorities or applicable stock exchanges;
- amend the provisions of the 2010 DSUP or the Stock Option Plan to modify the maximum number of Class B subordinate voting shares which may be offered for subscription and purchase under the 2010 DSUP or the Stock Option Plan following the declaration of a stock dividend, subdivision, consolidation, reclassification, or any other change with respect to the Class B subordinate voting shares;

- amend the 2010 DSUP or the Stock Option Plan or an award thereunder to correct or rectify an ambiguity, a deficient or inapplicable provision, an error or an omission; and
- amend a provision of the 2010 DSUP or the Stock Option Plan relating to the administration or technical aspects of the plan.

However, notwithstanding the foregoing, the following amendments must be approved by the shareholders of the Corporation:

- In the case of the Stock Option Plan or outstanding options :
  - an amendment allowing the issuance of Class B subordinate voting shares to an optionee without the payment of a cash consideration, unless provision has been made for a full deduction of the underlying Class B subordinate voting shares from the number of Class B subordinate voting shares reserved for issuance under the Stock Option Plan;
  - a reduction in the purchase price for the Class B subordinate voting shares in respect of any option or an extension of the expiration date of any option beyond the exercise periods provided by the Stock Option Plan;
  - the inclusion, on a discretionary basis, of non-employee directors of the Corporation as participants in the Stock Option Plan;
  - an amendment allowing an optionee to transfer options other than by will or pursuant to the laws of succession;
  - the cancellation of options for the purpose of issuing new options;
  - the grant of financial assistance for the exercise of options;
  - an increase in the number of Class B subordinate voting shares reserved for issuance under the Stock Option Plan; and
  - any amendment to the method for determining the purchase price for the Class B subordinate voting shares, in respect of any option.
- In the case of the 2010 DSUP or DSUs granted thereunder :
  - an amendment allowing a participant to transfer DSUs, other than by will or pursuant to the laws of succession; and
  - an increase in the number of treasury Class B subordinate voting shares reserved for issuance under the 2010 DSUP.

NON-GAAP FINANCIAL MEASURES

The Circular includes certain reported earnings in accordance with IFRS and the following non-GAAP financial measures:

Non-GAAP financial measures	
EBIT before special items	EBIT excluding the impact of restructuring charges, significant impairment charges and reversals, as well as other significant unusual items.
Free cash flow (usage)	Cash flows from operating activities less net additions to property, plant and equipment and intangible assets.

We believe that providing certain non-GAAP financial measures in addition to IFRS measures provides users of our Circular with enhanced understanding of our results and related trends and increases the transparency and clarity of the core results of our business. For these reasons, a significant number of users of this Circular analyze our results based on these financial measures. EBIT before special items exclude items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. We believe these measures help users of our Circular to better analyze results, enabling better comparability of our results from one period to another and with peers.

Non-GAAP financial measures are mainly derived from the Corporation's consolidated financial statements but do not have standardized meanings prescribed by IFRS. The exclusion of certain items from non-GAAP performance measures does not imply that these items are necessarily non-recurring. Other entities in our industry may define the above measures differently than we do. In those cases, it may be difficult to compare the performance of those entities to ours based on these similarly-named non-GAAP measures.

EBIT before special items

Management uses EBIT before special items for purposes of evaluating underlying business performance. Management believes this non-GAAP earnings measure in addition to IFRS measures provides users of our Circular with enhanced understanding of our results and related trends and increases the transparency and clarity of the core results of our business. EBIT before special items excludes items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. For these reasons, a significant number of users of this Circular analyze our results based on these financial measures. Management believes these measures help users of our Circular to better analyze results, enabling better comparability of our results from one period to another and with peers.

Free cash flow (usage)

Free cash flow is defined as cash flows from operating activities less net additions to property, plant and equipment and intangible assets. Management believes that this non-GAAP cash flow measure provides investors with an important perspective on the Corporation's generation of cash available for shareholders, debt repayment, and acquisitions after making the capital investments required to support ongoing business operations and long-term value creation. This non-GAAP cash flow measure does not represent the residual cash flow available for discretionary expenditures as it excludes certain mandatory expenditures such as repayment of maturing debt. Management uses free cash flow as a measure to assess both business performance and overall liquidity generation.

Reconciliations of (i) EBIT before special items to EBIT and (ii) free cash flow usage to cash flows from operating activities are provided in the following tables:

Reconciliation of Cash flow from operating activities to Free cash flow (usage)	2018 ($ million)
Cash flows from operating activities	597
Net additions to Property, plant and equipment and intangible assets	(415)
Free cash flow (usage)	182

Reconciliation of EBIT before special items to EBIT						2018
	Transportation ($ million)	Business Aircraft ($ million)	Commercial Aircraft ($ million)	Aerostructures and Engineering Services ($ million)	Corporate and Elimination ($ million)	Total ($ million)
EBIT before special items	750	420	(157)	188	(172)	1,029
Special items	(24)	(10)	598	42	(578)	28
EBIT	774	430	(755)	146	406	1,001

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